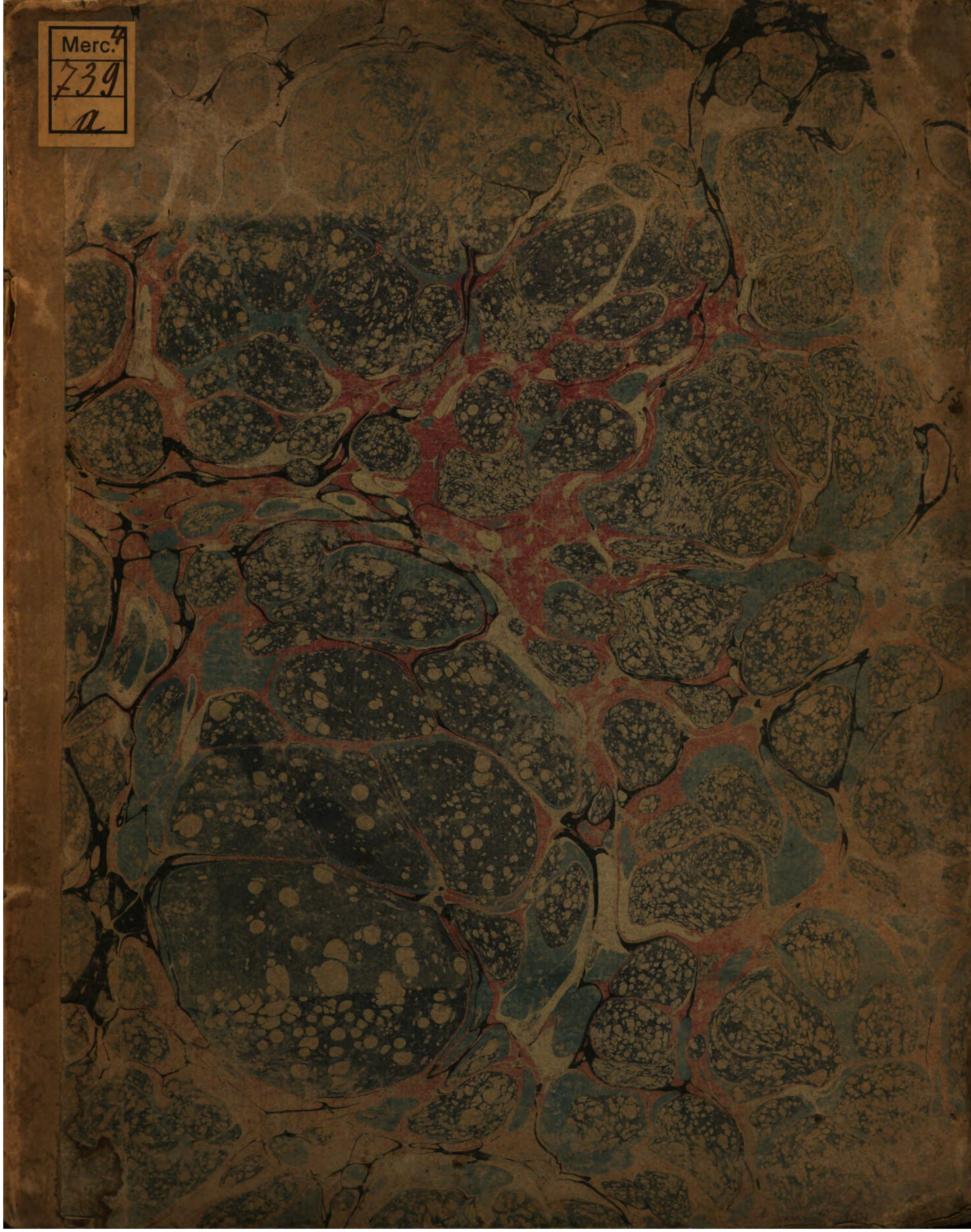


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THIS Letter was in the Press, and designed to appear prior to the DEBATE which took place on the subject of its contents in the HOUSE OF COMMONS, on the 25th of November last; but the Printer, from unavoidable circumstances, was not able to get it in sufficient forwardness for publication before the discussion on that day commenced.

LETTER

SIR WILLIAM PULTENEY, BART.

MEMBER FOR SHREWSBURY.

A

LETTER

TO

SIR WILLIAM PULTENEY, BART.

MEMBER FOR SHREWSBURY.

LETTER

SIR WILLIAM PULTENEY BART.

MEMBER FOR SHROPSHIRE

of



LETTER

TO

SIR WILLIAM PULTENEY, BART.

MEMBER FOR SHREWSBURY,

ON

THE SUBJECT OF

THE TRADE BETWEEN INDIA AND EUROPE.

BY

SIR GEORGE DALLAS, BART.

MEMBER FOR NEWPORT.

“ I insist upon it, as a firm and incontrovertible principle, that
“ Commerce can only flourish when it is equal and free.”
HASTINGS'S MEMOIRS OF INDIA.

London :

PRINTED FOR JOHN STOCKDALE, OPPOSITE BURLINGTON HOUSE, PICCADILLY ;
AND JOSEPH MAWMAN, IN THE POULTRY.

BY T. GILLET, SALISBURY SQUARE.

1802.

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LETTER

TO

SIR WILLIAM PITT-RIVERS, BART.

MEMBER FOR SHREWSBURY.

THE SUBJECT OF

THE TRADE BETWEEN INDIA AND EUROPE.

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ST. JAMES'S, OPPOSITE ST. JAMES'S PLACE.

1802.

A
LETTER

TO

SIR WILLIAM PULTENEY, BART.

SIR,

THE subject on which I am about to address you, is too important in its nature not to have excited a lively interest in a mind like yours, that seems to derive its best existence from witnessing the prosperity it labours to promote. At length the Question between the Public and the East India Company, relating to the Trade between India and Europe, has been brought before the Legislature; and the Nation is indebted to your watchful regard for its welfare, for directing its attention to a subject so every way deserving of its consideration. It is fitting that the individual whose eloquence and wisdom, on former occasions, sustained, with such distinguished weight, the rights of the East India Company, animated by the same patriotism, should again come forward to vindicate their best interests, and give just effect to the spirit of their Charter.

To those who are sensible of the value of our possessions in India, and are alive to the prosperity of these United Kingdoms, it can

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never be a question of indifference in what manner these valuable dependencies can be rendered most productive to Great Britain, and their own internal prosperity be most effectually advanced. And this question acquires increased importance at the present juncture, from the different opinions entertained on the subject of the Trade between India and Europe, by the most experienced and respectable individuals; and from the appeal that has been made to the East India Proprietary on the one hand, by the Court of Directors, and to Parliament on the other, by the Public and the Free Merchants of British India.

I am sensible, Sir, I can offer to you but little on a subject with which you are more deeply conversant; and yet I feel a disposition to press upon your attention the national principles connected with this important question. Nor is this in any respect the effect of a rash and hasty determination. The subject is momentous; and I do it upon reflection, that if there should be a point of view in which it has offered itself to my mind, but that has, among many others of equal importance, escaped your attention, I may have the satisfaction of bringing that point under your eye, when it will receive a critical, as well as a just and candid investigation.

In considering what is the nature and extent of the Export Trade of British India, and how that Trade can be most advantageously and effectually brought to the Port of London, to which much of the spirit of the question belongs, I have perused, with great attention, not only the Report of the Court of Directors, published for the use of the Proprietary, and the Observations of Mr. Henchman thereon, but likewise every document therein referred to, that appears to me to bear on the question. I have thought much on the subject. I

have contrasted the various opinions scattered throughout these voluminous productions: the Company's Charter, and the claims of the Free Merchants, have equally been before my eye. I have given an attentive consideration to each. I have devoted every faculty of my mind to master the relative situation of both parties. I have compared their reciprocal opinions with the local knowledge and experience which many years of service in high situations in the Company's employ enabled me to acquire: and the general result of these united means of arriving at a clear opinion of the subject, I shall now proceed to unfold.

In opening my reflections to you on this important question, I should observe, that I embarked in it not without a considerable bias in favour of the opinion of the Court of Directors; and indeed not without something of a determination to support their Resolutions. The weight due to so pure and respectable an authority; the disposition which has long existed in the minds of many individuals to annihilate the Company's Charter, and to throw open their Trade, to the general detriment not less of British India than of Great Britain, and which but too well justifies the vigilance and caution of the Directors; the obligations which individually I owe to the Company, and the duty which, growing out of the public interest, binds me to resist any such attempt; all contributed to prejudice me against opinions which were not in accordance with the sentiments of such respectable authority. On general principles it seemed to me, that a Body thus constituted, who, to superior information and talent, united the advantage of a disinterested consideration of the subject, were more likely to have arrived at an accurate result, than those who, to inferior means of judging, joined a direct personal interest, to warp

their judgments, in the question at issue between them and the Company. With these prepossessions, I gave my mind to the subject.

Candour, however, now impels me, on the fullest investigation of the Report of the Court of Directors, to renounce these prejudices, and to state the reasons which influence me to draw an opposite conclusion from themselves on this momentous subject.

I am well aware of my own incapacity to embrace, perhaps, all the considerations which belong to this important question. I can only pretend, at least, to appreciate it impartially. Beyond my situation as a Proprietor, I have no other interest in the subject, than what grows out of zeal to promote the true interests of the Company and the Nation. I am aloof from the struggle myself; and actuated only by public motives, I meet the question with a calm, dispassionate, and disinterested mind. Perhaps this may secure to my opinion an indulgence to which otherwise I am sensible it is not entitled.

The question is undoubtedly of the first magnitude and importance, and acquires not only a new degree of interest in the public mind, from the Peace that has recently been concluded, but derives also fresh claims for immediate decision, from the consideration that the first effects of that Peace will be a struggle, on the part of foreign Nations, to renew their influence in the East, and defeat the attempt of rendering Great Britain the general Emporium of the Commerce of that quarter of the Globe.

In point of fact, it is a great State Question. First, of *Political Economy*—next, of *Commercial Policy*. Upon what principles ought the

State to govern its Indian possessions, so as to increase their productive powers? This is the first branch. Under what regulations ought the Trade of the East Indies to be conducted, with a view to the joint benefit of both Empires? This is the second branch. A question of this nature and extent is to be reached only on the broad ground of those great and fundamental principles of State Policy, which, immutable in their nature, are the day stars of national wealth and prosperity. And if the Court of Directors mean to meet it fairly, on the principle admitted by themselves in their Report, "*that the interests of the State and the Company are inseparable,*" they must abandon their counting-houses, and their little prejudices, and elevating their minds, on a legislative pedestal, to the height of their duties, embrace the prospects, and the destinies of the millions over whose interests, and happiness, Providence and the Nation have raised them to be the guardians.

I am led into this reflection, by an attentive perusal of the Report drawn up by Mr. Charles Grant, one of the Directors, to whose abilities, attachment to the Company, and indefatigable zeal to promote their interests, I am proud to add, from personal knowledge, the feeble tribute of my own testimony and grateful acknowledgment as a Proprietor. From the general style and substance of the Report, it would seem, however, as if, on this occasion, the observation of Adam Smith had escaped his attention. "*But a Company of Merchants are, it seems, incapable of considering themselves as Sovereigns, even after they have become such. By a strange absurdity they regard the character of the Sovereign as but an appendix to that of Merchant. Their mercantile habits draw them in this manner almost necessarily, though perhaps insensibly, to prefer, upon all ordinary occasions, the little transitory*

"profit of the Monopolist to the great and permanent revenue of the Sovereign." Precisely, in my humble opinion, does this observation apply to Mr. Grant's Report. It creeps, like a Merchant, but never walks as a Sovereign.

In all questions of this nature, involving not less the Trade, than the general system of Policy by which the Government of British India is to be administered, the East India Company are to be considered in their complex capacity of Sovereigns and Merchants. In these different relations, they have not only separate but jarring interests. What may be for their advantage as Sovereigns may be detrimental to them as Merchants. Hence Cicero, speaking of his own times and nation, said, that he did not like that the same People should be at once Lords and Factors. Since, however, the policy of the State has wisely, for purposes not within the range of this observation, invested the Company with these opposite capacities, their duty is to harmonize them as much as possible for the benefit of both, by making the lesser subservient to the greater interests. The Trade of the Company, from its spirit of internal and foreign monopoly, has a natural tendency to weaken their interests as Sovereigns. But their Revenue is of more importance than their Trade. It therefore claims a preferable consideration. As Sovereigns, their interest is exactly the same with that of the country they govern. As Merchants, their interest is opposite to that interest. To realize and improve the revenue is their first object. The revenues are to be improved by animating the industry of the Natives, and shackling it with as few restraints as possible. Smith well observes, *"Almost every State draws its revenue from the People. The greater their profits the more they can afford to the State. It is therefore the interest of the Company to increase as much as pos-*

*“ sible these profits. If this is the interest of every Sovereign, it is pecu-
“ liarly so of one whose Revenue, like that of the Sovereign of Bengal,
“ arises chiefly from a land rent ; that rent must necessarily be in propor-
“ tion to the quantity and value of the produce.”* Hence the Company ought, primarily, to consider their situation as Sovereigns ; secondarily, their capacity as Merchants. Their commerce should bend to the general policy of their Empire, and not their Empire to the general principles of their Commerce. It is of less consequence to them that their own Trade should thrive than the general Commerce of their territories. In their altered situation, invested with the sovereignty of British India, and possessing a greater stake in its Revenues than its Commerce (which, since their Imperial elevation, is become only the channel of remitting the surplus tribute of their Revenues), they ought always, as Lords of the soil, to consider, first, what becomes them as Sovereigns ; next, what befits them as Merchants ; and all their commercial Policy and Regulation should be founded in the principle of rendering the connection between British India and these United Kingdoms as beneficial as possible to both Empires, animating the industry, stimulating the productive powers, and contributing to the comfort, wealth, and security of each other. To improve the Revenues of British India, to expand the spheres of British and Asiatic industry, to realize the larger and more permanent profit arising from the Revenues of the East, to prevent British capital from fostering the Commerce and Navigation of rival European Nations, to open to it the means of directly reaching and enriching the Mother Country, to improve the Trade, Navigation, and Revenue of the Parent Empire, to open new sources of prosperity to the natives of our provinces, without injuring the interests of other classes of British subjects, or trenching on the rights of independent Nations, and finally, by a wise and pro-

vident line of political economy, and a well devised system of judicious commercial Policy, to quicken and increase the prosperity of our Eastern Dependencies, and realize the just expectations of the Public, on the renewal of the Charter of the Company ; all these are the great and Imperial duties of the Rulers of British India ; and these are the principles they should bear in their minds when they come to the consideration of this important question. Many of them appear to me to have escaped the attention of Mr. Grant, who, in his zeal to defend the monopoly of the Merchant, has turned from considering the interests of the Sovereign. The question is not whether (as Mr. Grant complains) the Free Merchants are advancing new pretensions, but what will be the effect of complying with these, on the general interests of both Kingdoms. Will it either invade the fair spirit of the Charter of the Company, or disturb their own commercial system ? If so ; in what respect, and to what extent ? If it does neither, or even if, in a degree, it should slightly appear to touch on a dormant commercial privilege, never exercised, nor sought to be enjoyed ; if it should contribute more largely to the improvement of their revenues, by widening the channels of native industry, then in the pursuit of a greater end, perhaps sound Policy may suggest the propriety of departing a little from the rigid spirit of Monopoly, by suffering the capital and the industry of the British resident Merchants, to convert a Trade, not occupied by themselves, but largely engrossed by their rivals, into a source of enriching the Company, the Nation, and the natives of the East, instead of, as now, contributing to increase the wealth and navigation of foreign States.

It will occur to you, that a question of this nature is not to be surveyed by a glance. We must stand upon an eminence to command

its view. This eminence is the volume of India, resting on the base of local knowledge and experience: and it is by looking back on the past that we acquire maxims of wisdom to regulate our conduct in future. This naturally leads me to look at the early situation of the Company, in the commencement of its elevation, when the genius of a Clive grasped the sceptre of the East, and, raising us from Merchants into Sovereigns, extended the range of our duties, and our interests.

In this point of view, the then, and the present, state of Bengal naturally arrest our attention. Our conquest gave us possession of a kingdom unrivalled in point of fertility, the variety of its produce, and the excellence of its manufactures. It was the great influx of bullion from all parts of the world. Dehly more than repaid its tribute by pouring its riches into the immense commerce of Bengal. Specie flowed in by a thousand channels now dried up. The Gulfs of Mocha and Persia added their contingents. All the European Companies formed their investments with money brought into the country. The Dutch imported annually thirty-six or forty lacks on a medium of ten years before our conquest. The Danes, and other foreign nations, added to the supply. Our own importations were considerable. Not less than one crore of rupees (£.1,250,000) was the annual importation of European nations; the whole Continent of India fed the stream, and Bengal became, by its manufactures, the centre of attraction for the bullion of near and distant nations: the Merchant was enriched, the Manufacturer was encouraged, and the Subject and the Sovereign were equally pleased.* This stream of national wealth, majestic as the sacred river of its inhabitants, had poured upon them its silver current from the darkest days of

* Verelst.

time, and their climate and their prosperity alike contributed to christen their kingdom, in their own figurative language, "the Paradise of Regions."

Thus flowing with abundance, we became the masters of these rich dominions ; and such was their condition, and their means of prosperity, in the days of Sujah Khan, some years prior to their passing under our yoke, when the duties paid into the Exchequer of Bengal amounted to no less a sum than eight hundred thousand pounds per annum.

One of the first effects of our conquest was to drain the sources from whence this prosperity flowed. In some measure it was the unavoidable result of our situation : possessed of the revenues of the country, they yielded a considerable surplus, after defraying the expences of maintaining our conquest, without which it would only have proved burthensome to retain. This surplus could only be remitted home through the medium of the manufactures of the country. Its amount was therefore thus applied. The necessity for any further importation of bullion was done away. The Company's supplies ceased ; not only they no longer imported bullion, but they exported a vast mass (near a million then) of the manufactures of the country, paid for by its own specie. *Here, Sir, was the origin of the first drains on British India.* In our conquest are to be traced the seeds of its decline. But the mischief did not cease here. The new mine presented to us by these sudden acquisitions was conceived to be inexhaustible, and from this delusive notion sprang a considerable portion of the subsequent embarrassments experienced by the Company. By the most improvident and ruinous policy, the Company, in the intoxication of their success, overlooking all the maxims of prudence, and the plainest principles of political economy, quickened, by their own mismanagement, the decay of a kingdom it was their interest to cherish, and their duty to protect.

A too eager desire to derive advantage from their new acquisitions—a greedy and impolitic pressure of insatiable demands for increased investments—a fluctuating, impoverishing, and depopulating system of letting their lands—extensive and annual exports of specie to China, and their settlements on the coasts, gradually swelling up to the enormous annual amount, in 1784, of one crore of rupees, equalling in the *export of specie* the whole amount of its *former import*, prior to our conquest: making thereby a difference to Bengal of between two and three millions sterling annually, in a country possessed of no mines of its own. These were the early evils of the Company's administration, which a wiser policy might have greatly lightened. But if the mischief here had ceased, still its ravages would have been but slowly perceptible. Other causes contributed to hasten them into early view. Dehly, in the confusion of the Empire losing its authority and splendour, no longer poured its wealth into Bengal. The Company, in their capacity of Dewan to the Empire, annually drained it, by an inland export of fifty lacks, to pay the King's tribute. But even here the drain ceased to stop. The revolution which thus enriched the Company, so as to render their exporting bullion for their investments no longer necessary, had also the prejudicial effect of throwing the larger fortunes of individuals, growing out of such a change, into the hands of foreign nations, from the Company devising no method to remit them themselves, which enabled these nations, with our own money, to rival us in trade in our own territories. Instead of striking at the evil by counteraction, the Company increased it by restrictions; which only proved, in their effect, that harsh and impolitic laws but aggravate the evils they seek to subdue. *Here, Sir, was the origin of the growth of the Foreign Clandestine Trade.* These restrictions, and the neglect on the part of the Company, as Mr. Grant admits, “*to adjust their measures to the policy which this new situation of things ought*

“to have dictated,” had the consequence, which better reflection might have foreseen, of throwing a great mass of British capital into the hands of foreign Companies, who, in consequence, very naturally imitated the unavoidable policy of the Company, by employing the specie of the country to pay for its own manufactures. And hence, for a considerable while, they likewise ceased importing bullion to pay for their investments.

Thus, Sir, the channels of trade which had before contributed to the riches of Bengal, now turned against it, and centered wholly with European nations, whose commerce was at all times least beneficial to the country. Under this depressive change a balance of above one third of its whole yearly value now occurred. In the five years next succeeding the grant of the Dewanny, our exports from thence had already amounted to upwards of £.1,500,000 in bullion, besides bills and goods to the extent of the further sum of £.3,700,000: when we look at these drains—when we contemplate the effect of this mistaken policy—when we trace, as a consequence from our conquest, that its most prominent result was to dam the sources of supply, and drain the channels of its wealth, by arresting the influx of foreign riches, and narrowing the springs of native industry—when we see that, in the short space of ten years after our conquest, the most alarming distress ensued—when we consider that the European exports from Bengal in that period amounted to the enormous sum of sixty millions sterling*—when the records of the Company prove, that in the short space of nine years, from the year 1757 to the commencement of the gold coinage in the year 1766, (into which they were driven by the almost total disappearance of silver) that Bengal had lost, by deficiencies in the usual imports of bullion, and by exportation of silver, more than eight millions sterling, not reckoning the

* Verelst.

sums exported privately by individuals—can we wonder at the consequent decline of Indian arts and manufactures, and that their records are crowded with complaints on this subject, from the days of Lord Clive to perhaps the present hour, teeming with the most painful pictures of public and private distress, representing the rapid ruin that threatened their possessions in the East, deprecating their own policy, and calling upon them, vainly calling upon them, for a system more conformable by its policy, and its justice, not less to the interests of the conquerors, than the claims of the vanquished.

In this way faded the prosperity of Bengal; and one of the earliest effects of our conquest was the rapid decline of its splendour.

At length the cry of India was heard. What then became the duty of the Sovereign? All felt the evil, the question was the remedy. The most obvious relief that occurred was to invert, if possible, the system to which this decline was chiefly to be ascribed, by endeavouring to make some of those streams flow back into the country which had formerly contributed so much to its prosperity. It became a better policy to stimulate these streams by opening new sources of opulence to the industry of the inhabitants. Already has the introduction of the cultivation of indigo secured to them a new and most valuable branch of commerce. To encourage the influx of bullion, by compelling (through judicious encouragement to our own subjects) foreign nations to trade on their own capital, to establish a system of revenue more consonant to the interests of the Company, and better calculated to secure the allegiance and conciliate the affections of the natives; to quicken the productive powers of these invaluable provinces, by opening to the field of their industry the

animated scene of more extended markets ; to revive and expand public confidence by purifying the fountains of distributive justice; and finally, to bind the whole, by substituting a Government of unity and responsibility, for one of discord and impunity ; these were the leading features of improvement that appeared to be wanting in the condition of the country, to render it a durable acquisition of glory, and advantage to the Empire.

To retrieve the effects of that erroneous policy by which the affairs of the Company had been involved in these embarrassments, and to arrest the further decay of our valuable possessions in the East, the control of the Legislature appeared to be wanting, not only in the appropriation of the Revenues, but in the general regulation of their Government. Hence, in the Act of 1784, for better regulating these provinces, and in the creation of the Board of Commissioners for the Affairs of India, a new epoch opens in the history of British India. And when I turn to all that has been effected under its superintendence, when I contemplate the improvements which have taken place since its original institution, in the year 1784, in the general condition of all classes of society, Native and European, in the mode of realizing the revenues, in the administration of civil and criminal justice, in the protection afforded to hereditary rights entombed in the gulph of our conquest, in the increased securities given to property, and to persons, and in the renewed springs afforded to public industry by the beneficial change which these improvements have produced in the condition, and in the hopes of the many millions whose destinies they have embraced, I hail with joy the morning of that enlightened system of policy by which the wounds of British India may be healed, and the faded prosperity of Bengal be recovered.

With a Board thus constituted, to watch over the prosperity of British India, and repair, in conjunction with the Company, the baneful effects of a past mischievous policy, what were its early duties, on the renewal of the Company's Charter, in the year 1793? To see all the provisions of this Act, if possible, realized, and the principles in which it is founded, fairly applied to the interests and situation of all the parties to whom this Act has reference.

This leads me, Sir, to consider, in what principle did the Charter originate? First, it was thought more wise, with the experience of all the benefit resulting from it, to continue the present system of Indian policy, founded on the basis of old established practice, than to adopt any plausible theory, for the purpose of experiment; and it was concluded with justice, not only that the freedom and security of the British Constitution depended on withholding from the dominion of the Crown the vast patronage of the East, but that the revenue and trade of our Asiatic possessions were so interwoven together, that it was impossible to separate them without danger to our independence, and ruin to the customs arising from them to the British Empire. On this principle, the medium of a Company was preferred, as the most beneficial mode of holding the sovereignty of British India in trust for the people of Great Britain. But, in conceding this to the East India Proprietary, Parliament felt that a notion prevailed, that this system might still be preserved, and yet the Trade between both countries be considerably improved, to the benefit of the Manufacturers of Great Britain, and of British India, and of the revenues of both States. Parliament felt, as Mr. Ruffel, the late Solicitor to the Board of Commissioners, observes, in his work entitled, "Plans for British India," that in renewing the Charter of the Company, care should be taken "*that the Commerce of Great Britain to the East Indies be*

*“ maintained in its full vigour ; neither curbed in its spirit, nor diverted into
“ a foreign channel, but exciting the industry of our Artizans and Manufac-
“ turers, the confidence of our Merchants, and a liberal spirit of general com-
“ merce.”* It saw in British India two branches of Commerce—a minor portion, embraced by the Company’s capital, constituting the Company’s own Trade, which, by means of their investment, was the channel of remitting home their surplus revenues; and next a major part, termed the Surplus Trade, rejected by the Company, left open to foreign nations, and to British subjects residing in India under the Company’s licence; and of which Surplus Trade a considerable part centered in the ports of foreign Europe, and was chiefly alimented with British capital. In what articles it consisted it is here unnecessary to enumerate. It was the object of the Legislature to preserve the former exclusively for the Company; and to secure, if possible, by adequate encouragement, a fair proportion of the latter for the Public, as the means of enlarging the sphere of commercial intercourse between Great Britain and its Eastern dependencies. The Nation felt, after conceding in trust its sovereignty over these to the Company, that the Public had a right to participate in that remaining branch of Trade which the Company’s investment did not embrace, which foreigners to our detriment monopolized, and which, if brought home to this country by British resident Merchants, would have the beneficial effect, in the first instance, of improving our own Trade and Navigation; and in the next, of promoting the prosperity of British India, by compelling foreign nations to abandon British capital, and have recourse again to bullion, chiefly to carry on their trade with British India. Over the former branch, then, Parliament abandoned its control; over the latter, it specially preserved, by distinct enactments, its right of interference. Provision, therefore, was made to attain this end, on the renewal of the Company’s Charter. The Nation felt it was defrauding

the public revenue to carry this surplus produce to foreign ports with British capital; and that impolitic regulation, on the part both of the Company and of the Legislature, by originally diverting it into a foreign channel, might be considered as the parent author of the fraud. To make it flow, therefore, into its natural course, was the object of the Legislature; first, by repealing these restrictions; and next, by holding out better encouragement to the British Manufacturer to enlarge his exports by the lure of cheaper freight, and by equally encouraging the natives of the East to raise, increase, and export such raw materials as are either applicable to our manufactures, or in demand in our home markets.

Thus, the main commercial purposes to be accomplished, by the renewal of the Charter of the Company in 1793, were—to encourage the Export Trade of our manufactures to India to the utmost extent of the demands of that country; to promote the importation of the raw materials produced in British India applicable to our manufactures; to forward these ends through the medium of “reasonable freights;” to check the growth of foreign Clandestine Trade, by affording to British resident individuals the means of remitting their fortunes directly to the Mother Country; and lastly, to promote the prosperity of British India, by opening new channels of trade to the industry of its inhabitants, and to improve the Trade, Revenue, and Navigation of these United Kingdoms, by making the Port of London the grand Emporium of the Commerce of India.

Here, then, we arrive at the foundations on which we are to stand in reviewing this question. In these principles originated the renewal of the Company's Charter in the year 1793. From these principles the du-

ties of the Directors, and the Board of Control, are to be traced. Certain rights are vested in the Company: certain rights are secured to the Public. Over the latter Parliament is the guardian. To give effect, therefore, to these principles, is the joint duty, both of the Board of Control and of the East India Company; and to construe liberally, not less the spirit than the provisions in this Act, is at all times as much the duty as the interest of the Company. If, in the exercise of such rights as are vested in the Public by the Act of 1793, individuals should feel themselves fettered by any regulations, or usages of the Company, tending evidently in their nature to defeat the fair construction and spirit of this Act, and that they should be at issue with the Company, in respect of their operation, it will hardly be maintained that, in such a case, it is not for a higher and more impartial tribunal than either to decide between the parties. To maintain the converse doctrine would be to assert that either are entitled to be the judges in their own cause. The case was foreseen, and provision was made to meet it in their Charter, by allowing of appeal in the first instance to the Board of Control, and in the last, to the King in Council.

To facilitate the attainment of those desirable ends, I have stated, the first evil to be corrected was the continuance of that Clandestine Trade carried on with British capital under foreign flags, which was equally injurious to the prosperity of Bengal, the interests of the Company, and the Trade, Navigation and Customs of these United Kingdoms. This Trade, fostered by our own impolicy, had long been the subject of watchful jealousy, and reiterated complaint on the part of our Governments in India. So early as the year 1766, the Company were warned of its dangerous tendency by the Government of Bengal. Their Servants apprised them, at that early period of their power, that British capital

was enriching rival European Nations, and that a wiser policy might pour it into the Parent lap. They represented to the Court of Directors the bad effects likely to ensue from the growth of this Foreign Clandestine Trade, and earnestly called upon them to check its further progress, by devising a method of enabling the Company's Servants, and other British Residents, to remit their own fortunes by some other channel than through the medium of loans to foreign Companies, for bills on Europe, assuring them that, in the event of their neglecting so to do, the French, the Dutch, and the Danes, would not only be enabled to provide early and valuable investments, but that Bengal and its dependencies would be deprived of a very considerable addition of bullion to the current specie which those nations would otherwise be obliged to import every year. Two obvious modes of relief occurred: either to open the Company's treasury to individuals for bills on Europe—or to permit them to remit their fortunes directly home through the medium of the Surplus Commerce not embraced by the Company's investment in the way now pursued. The former was more liable to difficulty than the latter; but neither was adopted. Progressively therefore the evil increased; and only sustained a check when the Company's wants compelled them to open their treasury to the fortunes of individuals, which shewed that the Trade was clandestine but from necessity, and not from choice. Already, in the year 1771, the exportation of Bengal manufactures by the several European Companies had increased to more than £.700,000 beyond the extent of their former investments, wholly purchased with money received from private individuals. Governors Verelst, Cartier, Hastings, Sir John Macpherson, Lords Cornwallis, Teignmouth, and Wellesley, have added their testimonies to the opinions of preceding Governors, have equally deprecated the evil, and implored the remedy. In the year 1785, almost the whole Surplus Trade of the country centered

with the Danes.* The ships which imported at Serampore that year were no less than twenty-two in number, amounting in their aggregate to near 11,000 tons; and they returned to foreign Europe with cargoes chiefly purchased with British capital, which a wiser policy might have landed in the River Thames. And what has been the consequence of this improvident system? Not only injury to the Company, the natives of India, and subjects of Great Britain; but what aggravates the evil—by fostering the wealth and navigation of a rival Power, by injudiciously strengthening its little capital with our larger credit, we have the better enabled it, in an hour of difficulty and public danger, to raise against us an ungrateful arm. It is not too much to say, that by thus encouraging foreigners, and discouraging our own subjects, since our acquisition of the Dewannee, and the extension of our territories on the coasts of Coromandel and Malabar, that upwards of twenty millions sterling have been exported from the Company's provinces to foreign Europe, which, under better regulation, would have centered in the Port of London, to the infinite advantage of the British Nation.

But it is not only the Nation that has suffered by the continuance of this Clandestine Trade. The Company have themselves experienced all those effects from it which were predicted as likely to ensue by their Servants, when first its consequences presented themselves to their view. To you, Sir, who are so familiar with the history of India, and who have so often had their records in your view, it is no new matter to state the reiterated complaints of the Court of Directors of the increase of the prime cost of the goods composing the investments from British India, and of the debasement of their quality. What has occasioned these evils, but the great growth of the Trade of foreign Nations? In India they raise the market on the Company, and in Europe they undersell

* Hastings' Memoirs.

them. Hence arise the doubts whether we really trade with British India to a profit, or the reverse. Can there be any doubt but that the Company's sales are materially affected by this illicit intercourse with foreign Europe? Thus British capital, which might be directed so as not to interfere with the Company, is not only made the instrument of advancing the cost of their investments in India, but of likewise diminishing the amount of the produce of them in Europe. This capital has hitherto directly interfered with the Company's exclusive Trade. The policy of the State is now to turn it into another channel as productive to itself, and not injurious to the Company.

The evil of thus admitting British capital to foster the Trade of rival European Nations, has long been generally admitted, and the remedy as loudly claimed. To arrive at the remedy we must trace it through the causes of the mischief. What are these? The want of a regular channel of remittance for the fortunes of individuals, through the Company's treasury: the greater benefit accruing to individuals from either lending their money to foreign Companies, or being concerned themselves in prosecuting this Clandestine Trade under a foreign flag: the temptations held out to them to prosecute this Illicit Commerce, by importing at Serampore, Chinsura, or Chandernagore, and exporting directly to foreign Europe, whereby they avoid, both on their arrival and departure, the port duties of Calcutta, the Government customs of Great Britain, and the cost of transit on re-exportation, consisting of wharfage, warehouse-room, freight, insurance, &c. &c.: to which may be added, what is material to attend to, the cheaper rate of freight at which foreign vessels can sail to and from British India. These are among the most obvious causes which have contributed to encourage the growth of this Clandestine Trade.

How are they to be met? Not by restriction, as I have already said, but by counteraction. We must apply the rule of experience to this case as a safer guide to trust to, than any light arising from abstract reasoning. Experience has proved the severest restrictions to fail, and partial counteraction in a degree to succeed. What then does good policy suggest, but to pursue the principle of counteraction to the extent of allowing it to operate so far as to meet the design of the Legislature, by grappling with the mischief. What is the principle of counteraction? To supplant the Trade of Foreigners, by the wise application of just commercial principles: to enable the British resident Merchant, by adequate encouragement, to meet them in the markets of India and Europe; for this purpose what is necessary? That he should be enabled to purchase more cheaply in the markets of India than the Foreigner, and if possible undersell him in the markets of Europe? What are the impediments to this? The duties of Calcutta, and customs of Great Britain, the cheaper rate of freight to which the foreigner is subject in the transit of his goods, and his superior facility of ingress and egress to and from British India. Modify the former, and let the skill of the British Merchant remedy the latter, by availing himself in the pursuit of a cheaper freight, of the natural (not forced or artificial) means growing out of the productive powers of our Asiatic possessions, and clandestine Commerce will perish—lawful Trade will enlarge its sphere; superior skill and capital will exclude foreign nations from the contest—new security will be added to our Eastern Empire; the Company's monopoly will not be touched, and renovated prosperity will impart new lustre to these fertile and extensive provinces, and reward the industry of their inhabitants. This is simply the system by which the productive powers of British India may be increased, and its united produce be made to centre in the port of London; and in this the secret consists of adding wealth and strength

to the Company's provinces and the Parent State, and of realizing the ends of the Legislature by the Act of 1793.

To give effect to this system was the object of the Legislature; and in pursuit of this object its early care, on the renewal of the Company's Charter in 1793, was to endeavour, if possible, to annihilate a trade so destructive of the interests of the Company and the State; and by giving it a better course, through the channel of a more liberal policy, to render it the instrument of increasing the exports of British Manufactures, of enlarging the resources of British India, by multiplying its produce, and of improving the Trade, Navigation, and Customs of Great Britain, by making that produce, as far as British capital could embrace it, chiefly centre here. The policy of the Legislature appears to have been, by reserving certain rights to the Public under this Act, capable in their exercise of attaining this end, to make, if possible, (as Mr. Dundas has well stated it) "*the whole Trade and produce of India in the first instance centre in Great Britain, either for the consumpt of this country, or for re-exportation to supply the wants of other countries.*"* The British Manufacturer, the Indian Artisan, and the British resident Merchant (the intermediate link between both); these were the three parties whose industry, skill, and enterprize, it was the immediate object of the Legislature to cherish and promote. The British Manufacturer was to be furnished with the means of exporting to the fullest extent the produce of his industry, and of bringing back the raw materials from India; the native Artisan was to be encouraged to quicken and enlarge his produce; the Free Merchant was to be incited to abandon the clandestine commercial intercourse, which hitherto necessity had compelled him to maintain with foreign nations, and to make his industry and capital as much as

* Letter to the Committee of Ship-Builders, July, 1797.

possible the means of benefiting both the Company and the Nation, by providing for them a channel of direct communication with the Parent State; to individuals in general, scope was to be given to the remittance of their fortunes from abroad—and for the Country at large, by these means, was to be realized the hope of finally crushing this Clandestine Trade, and of making it centre in the River Thames. These were the main commercial objects to be accomplished by the Act of Parliament of 1793, and the relative situation of all these parties must be in our minds, when we are looking at the principles, and examining into the effect of this Act.

In tracing the several commercial provisions contained in this Act, we may plainly observe, that, with a view to the joint prosperity of British India and Great Britain, Parliament inferred that the system the most to be desired was that which, not infringing on the Company's exclusive Trade, increased the exports of British manufactures, and enlarged the imports of Asiatic produce; and consequently had in its contemplation to encourage, by every practicable facility, the means by which so beneficial an end might be attained. The means originally in the contemplation of the Legislature, was a "*reasonable rate of freight*," whereby goods of much bulk, but not of proportional value, might, on the one hand, be carried to the Eastern, and on the other be brought home to the British market, notwithstanding their distance from each other, so as still to afford a reasonable profit to the adventurer. The Legislature therefore bound the Company to become parties to this end, by compelling them to appropriate 3000 tons, at the least, annually to the Private Trade of individuals to and from India. The means therefore, which lying within the limits of the rights vested in the Public to participate in this Private Trade by the Act of 1793, but realize the views

of Parliament, compatibly with the principles already stated, and the rights conferred on the Company by this Act, are those which good policy invite the Nation to adopt.

There are two ways of prosecuting this end. First, in the manner provided for by the Act of 1793, obliging the Company to supply the tonnage required. Next, by allowing individuals to send home this surplus produce on India-built Shipping. Which of these modes is the best adapted to accomplish the intentions of the Legislature? Let us examine them separately.

First, the statutable tonnage. How far has this provision answered the original design of the Legislature, of modifying the monopoly of the Company, so as to throw open this surplus market to the capital of British Subjects, and make it centre in Great Britain? Certainly, but feebly. In many respects it has proved very insufficient. In the first place, it fell infinitely short of the quantity required, which, on an average of five years subsequent to the Act of 1793, has not been less than 5000 tons annually. In the next, it was provided irregularly by the Company, and at uncertain and inconvenient periods. The surplus demand, not merely for individuals, but likewise for the Company's own wants, was met with India Shipping by the Government of Bengal. Occasionally, in consequence of the war, the Company were unable to provide any portion of the tonnage thus allotted to individuals by the Act of 1793. Twice has the whole nearly been provided by the Government in India. The rate of freight was still too high, combined with other charges, to encourage the British Manufacturer to export his own commodities, although below the actual rate at which this freight was charged to the

Company. And lastly, the exercise of this privilege was attended with such inconvenience to the Free Merchants, arising out of the regulations of the Company, as, in point of fact, almost to defeat its end. In regard to the British Manufacturer, Mr. Dundas states, in his Letter to the Chairman of the Court of Directors, dated the 2d April, 1800, "*that the measure has proved a nugatory one.*" The Court of Directors, in their Report, corroborate this affirmation, by observing, that nothing has been exported by the British Manufacturer under this privilege. They add, "*the Manufacturers have made so little use of it to the present day, that they need not be further considered under this privilege.*" In support of the just representations of the Free Merchants, of all the inconveniencies and discouragements to which they are exposed by the present mode of providing them with tonnage from Great Britain by the Company, the Court of Directors, in this Report, attest the truth of them, and close a candid enumeration of the principal hardships to which the Free Merchants are subject, from the regulations relating to the Company's Shipping, by observing "*they have just grounds of objection,*" and that "*it is fit all inconveniencies of this kind should be remedied.*" Mr. Dundas, in the Letter above quoted, impressed with the justice of these representations, and well acquainted with their effect on the interests of the Public, likewise adds—" *Although I proposed this measure, I should be uncandid if I did not fairly acknowledge, that experience has proved it to be inadequate to the purposes for which it was intended.*"

It is clear, therefore, that experience has shewn the following inconveniencies to have resulted from this plan. First, it has not answered the intentions of the Legislature towards the British Manufacturer. Next, it has fallen infinitely short of its intentions towards the British resi-

dent Merchant, in as much as that, as Mr. Dundas observes in his Letter of the 2d of April, 1800:—" *In so far as the provision went to secure the*
" *transfer of the capital of our Servants in India to this country through the*
" *medium of Trade, it is clearly ascertained that the measure was a nuga-*
" *tory one.*" And lastly, that the Company has itself sustained a considerable loss, to the extent of near £.70,000, in providing this freight for the Private Trade of individuals, without any benefit arising to them therefrom; the Report admitting, " *that they have charged individuals*
" *considerably less than they have themselves specifically paid for the goods of*
" *those individuals to the Ship Owners.*"

Of the failure of this plan, therefore, there can be no doubt; and there can be as little of the necessity of substituting another, of repealing this clause, and of relieving the Company from the onerous and wasteful obligation it imposes on them.

Let us now see how far the end of the Legislature has been answered, by means not specifically provided for by this Act; but which, in pursuance of its policy, have been devised by the wisdom of Lord Wellesley. These means were resorted to by his Lordship, with a view of experimentally ascertaining which of the two plans, his own or the above, was the most likely to embrace the largest share of this surplus produce, to force foreign Nations to return within the limits of their own capital, to increase the export of British Manufactures; and, finally, to annihilate this Clandestine Trade, and bring it home to the Port of London.

In the year 1798, in consequence of an almost total failure of the

tonnage from Europe, to be supplied by the Company for the Private Trade of individuals, as already specified, and of the representations made by the Free Merchants of Calcutta, of the inconveniencies and losses to which they were exposed from being limited to the Company's tonnage, which was inadequate to the demands of their Trade, and the quantity of goods then on hand, the Government of Bengal felt it to be their duty to listen to these representations, and to provide a remedy. At this period the Port of Calcutta contained near 10,000 tons of foreign shipping, waiting for clandestine cargoes to be provided out of these goods, in the event of the Government not endeavouring to divert them into the channel of our own Trade. Lord Wellesley, sensible of the justice of these representations, aware of the injury to the national interests of Great Britain, by suffering these foreign vessels to return to Europe freighted with cargoes provided mostly by British capital, which it was so easy to remit directly to the Mother Country; and anxious, by a liberal construction of the Act of 1793, to give every practicable facility, consistent with the Company's rights, towards attaining the end of the Legislature, by increasing the commercial intercourse between both Kingdoms, and yet preserving our ancient and salutary system of Indian policy entire, allowed, at his own responsibility, by a regulation of the 5th of October of that year, the Free Merchants of Calcutta, and others, to export directly to Great Britain, in India-built ships, as much of the Surplus Trade of Bengal as their capital could embrace, with the privilege of bringing back on these vessels cargoes, the growth and produce of Great Britain, under certain stipulations protective of the Company's monopoly. And these vessels, on their departure and return, were subject to all those restrictions to which the Company's regular ships are liable, and which are calculated, in their nature, to prevent the

admission of unlicensed adventurers into their Settlements, and to guard against the consequences that might arise from such a breach of their system and regulations.

What was the effect of this measure? In the first instance it gave a severe blow, not only to the Clandestine, but to the *bona fide* Legal Trade of foreigners, by compelling most of these vessels to leave Calcutta in ballast. In the next, realizing the policy of the Legislature, it increased the importation of the raw material into Great Britain for the British Manufacturer. In 1799-1800, twelve Indian ships, constituting 9214 tons, brought over not less than 27,641 bales of cotton from Bombay and Bengal: 5579 bales were imported from the latter quarter, being a new export created for the Natives, by the enterprize of the British resident Merchant. And lastly, by the greater quantity of the surplus produce of British India, beyond the demands of the Company, thus brought home to the River Thames, it practically demonstrated the wise and attainable policy of the Legislature, in aiming at rendering the Port of London the great mart of the commerce of Asia; and plainly pointed out a road, which, though not within the letter was yet within the spirit of the Act, whereby this end might be obtained, and the monopoly of the Company, as modified by the Act, not be disturbed. The commercial intercourse between both countries was enlarged, as designed by Parliament, and yet all the securities were preserved for the continuance of our present excellent system of Indian policy. In the same season twenty India-built ships exported from London goods to the value of £.613,247, and wines from Madeira to the amount of £.116,505, and the same ships expended in London for stores, provisions, docking, and insurance, £.202,877, making a total of £.932,636.* This is a fact

* Vide Appendix to Mr. Henchman's able Pamphlet.

of too much importance not to excite the most serious attention. It shews how long the best interests of British India and Great Britain have been sacrificed to mistaken policy on the part of the Company, and calls upon the Legislature, by encouraging this system, to perfect the work its wisdom commenced.

So beneficial a change in the commercial intercourse between both India and Great Britain, while it marked the superior wisdom and discernment of Lord Wellesley, had already previously excited the grateful observation of the Court of Directors. So early as the year 1797, from an experience, since the act of 1793, of the advantages arising to the Company, and the Nation, (even under the present crippled and imperfect system) from encouraging an extension of the surplus produce of their territorial possessions, and a direct exportation of it to these Kingdoms, they appear to have been inflamed with a desire of following up this liberal policy: anxious to realize the views of the Legislature, by securing in future for the Nation this new and valuable branch of commerce, they addressed a memorial, in the month of May of that year, to the Lords Commissioners of his Majesty's Treasury, wherein they do homage to the policy which modified the monopoly of the Company, and reserved for the Public the right to participate in the Surplus Trade of India, which neither their capital, nor their interests permitted them to embrace; and wherein, with enlarged views of the subject, they acknowledge that the reservation of these rights to the Public, on the renewal of their Charter, has contributed, without disturbing, to improve our present Indian system of policy, by extending the sphere of our commercial advantages. In this memorial, replete with the wisest commercial principles, they equally plead the cause of the Public and of the British resident Merchant; and it may certainly be referred to, as an able refutation of the Report

they have recently published, diametrically opposite to the just opinions and sound principles it contains. The Memorial opens with this asseveration, viz.

"Your Memorialists have taken into consideration the situation of the East India Trade, not only so far as concerns the Company's own Commerce, but that carried on by individuals; and it appears to your Memorialists, that the regulations and indulgences which have taken place, in consequence of the late Act of Parliament for the renewal of the East India Company's Charter in 1793, relative to the permission granted to individuals, to participate in the East India Trade, have already led to consequences most beneficial to the British Nation, as will more fully appear upon reference to Appendix, No. I., where it will be seen that the Trade from India to England has increased even beyond the sanguine expectations of the advisers of the indulgences therein granted." It is to be presumed that this document had escaped their recollection, or otherwise it is not to be conceived that they could have signed such contradictory productions. The Report deprecates an indefinite enlargement of the Trade. The Memorial solicits it. It calls upon their Lordships, by removing the obstruction of heavy duties, and other impediments, *"to give to Britain that share of the Eastern Commerce to which, from her extensive territory, she seems to have a natural right."* The Report avers the insignificance of the Clandestine Trade. The Memorial denounces its importance. It states, *"It may be material to impress upon the attention of your Lordships, that individuals residing in India cannot be restricted to particular ships, but that they may have it in their power to select the ships of any Nation which will take goods on the lowest freight, or that will best suit the purpose of conveying their Commerce to Europe; and the policy of all the other commercial Powers of Europe will give every facility to this Trade, for the purpose of*

"drawing it to their own Country." The Memorial prays for such regulations as shall *"enable the export buyer to meet the buyer of similar goods at a foreign port,"* with a view of underselling him, and thereby, in the first instance, supplying the wants of foreign Nations, and consequently the means of so doing are within the end of the Petition. The Report resists in its doctrines this policy. It opposes it with this false commercial axiom, *"that Nations in amity with us ought to be allowed to trade on their own account for the supply of their own wants."* It ridicules the possibility, and avers the impolicy, of attempting to draw the whole Trade of India to this Country, and predicts that foreign Nations, in such a case, will shut their ports against the produce of our possessions in the East. The Memorial says, that lowering the duties on East India goods will *"make London the great Emporium of India Commerce, at present carried on almost entirely by English capitals, although under foreign flags; even a considerable part of the Danish Company's cargoes are purchased with English funds."* While the Report states the trade of foreigners to be beneficial, the Memorial avers *"It is a matter of great regret that most of the private ships trading to and from India under foreign flags are navigated by English seamen, who are thus alienated from their country,"* and that the present moment, from the insecurity of neutral flags, is *"particularly favourable for the transfer of this great and growing India Commerce to its legal and natural channel."* The Report warns the Company against multiplying its relations with British India, or forcing for it an increase of capital. The Memorial invites a more enlarged communication, with a view of increasing our exports and imports. It says, *"From a well regulated intercourse with our fellow subjects in India it is presumed many articles, the manufacture and produce of this Country, would be sent there in preference to those of the countries they now resort to, to the great advantage of the community."* It refers to experience: it says,

“ the recent experiment, as to the effect of a Free Trade, which the late Act of Parliament, called the Dutch Property Act, has in some degree established, shews, by the large importations in consequence of it, what might be expected by a more liberal extension of the same principle.” While the Report alarms the Company for the safety of their Territories and Commerce, the Memorial concludes by stating, *“ as Lords of the soil in India, advantages will certainly result to them which will give more perfect security to their property embarked in the Trade.”* Such, in brief, are the contradictions and inconsistencies which characterise these two antithetical productions. Either the Court of Directors were right in 1797, or they were wrong. If they were right in 1797, they must be wrong in 1801, because their Report of 1801 attacks their Memorial of 1797; and if they are right in 1801, they must have been wrong in 1797, because their Report of 1801 impeaches, in its facts and doctrines, their Memorial of 1797. In either case, by these productions, the Court of Directors are at variance with themselves. It is to be observed, that Lord Wellesley's laudable and successful attempts to secure for the Nation this valuable increase of Trade are subsequent to this Memorial, and consequently, in their effect, establish clearly the sound policy of the principles contained in the Memorial; and, by converse inference, as irrefragably prove, in their result, the fallacy of the doctrines contained in the Report.

From the experiment made by Lord Wellesley therefore these facts result, viz. No injury arose to the State—the growth of Foreign Clandestine Trade was impeded—the Trade, Revenue, and Navigation of Great Britain were increased, as intended by the Act of 1793—no encroachment ensued on the Company's exclusive Trade—their home duties were enhanced—a new and most valuable branch of trade was created for the British Empire—the productive powers of British India

were enlarged—a great accession in the export of British manufacture ensued, as designed by the act of 1793—a large expenditure, in the repair of these India-built ships took place in our dock yards, to the benefit of the British shipwright and artisan—the Court of Directors applauded the effects of such enlightened policy; and all those good consequences, inseparable from such a measure, were generally realized, which the united wisdom of their ablest Servants, for thirty years, had predicted as likely to accrue, if the Company, enlightened by experience, and alive to a knowledge of their true interests, would only awaken to a more liberal policy, and unite with their subjects, in enriching the State and themselves.

Between these two plans therefore, we arrive at this result. The statutable tonnage has not answered the end of the Legislature, and the clause relating to it, ought, as Mr. Dundas observes in his letter to the Chairman, to be repealed. The system of Lord Wellesley has greatly attained this end, and deserves to be sanctioned by Parliament, unless experience has shewn it to have been accompanied with correspondent evils, greater than the benefits by which it has been attended; or that it can be clearly made to appear, that it threatens eventually a greater injury to the Company, and the Nation, than any benefits of which, from its nature, it can be productive. And hitherto, no attempt has been made to shew that the Trade of the Company has been injured while Lord Wellesley's plan has been in operation.

Thus fortified by facts, and experience, the Free Merchants of British India come forward to solicit from the Company, and the Legislature, a confirmation of this system, by the repeal of the 87th clause in the Act of 1793, imposing on the Company the obligation to provide them with the tonnage requisite for the purposes of their Private Trade, and by the

experimental continuance of the principle already established in the Act of 1795, passed in the 35th year of his present Majesty's reign, licensing during the war, and for eighteen months after peace, the admission of India-built ships into Great Britain, by the further adoption of the plan of Lord Wellesley of the 5th October, 1798, on the principle of giving, where it can be effected, a decided preference to British Seamen over Lascars, and of extending thereby this nursery of national support; as the cheapest, and the most practicable means of realizing the intentions of the Legislature, by making as much as possible of that part of the Surplus Trade of India, which the Company's capital cannot reach, centre here. They offer to bring to the Port of London the largest portion of this surplus produce, and to realize also the further views of Parliament, in respect of the British Manufacturer, by considerably increasing the export of British manufactures. They proffer to discourage all illicit intercourse with foreign nations, and devote their capital to their Mother Country—they offer to quicken the productive powers of British India by creating new markets for the new produce of the growing industry of the natives—they offer either to supplant the foreigner, to the security of our possessions in the East, and make all the produce of India centre in ourselves; or to compel him to have recourse again to his own capital, whereby his Trade, Navigation, and Revenue will evidently be diminished, and the Company's provinces be benefited by the bullion he must unavoidably bring, if, under the discouragement of depriving him of the aid of British capital, he still pursues his commerce with India. If by these means the influx of foreign bullion is checked, they affirm that a larger proportion of specie will be imported into British India by themselves. They propose to become subject to all those rules, restrictions, and regulations, which the wisdom of Parliament may devise for the security of the Company's Trade and Possessions, and for generally guarding both against any evil con-

sequences which may be charged as likely to result from extending to them this indulgence. They tell us, that enabling them to increase their capital, by augmenting the resources of our Eastern dependencies, must have the desirable effect of lowering the high rate of interest in that quarter, by enlarging the money market of India, to the great benefit of the Company, and of individuals; that it will lower the price of manufactures, and increase their consumption. They offer to bring home new varieties of produce; and they refer, under the auspices and liberal encouragement of the Company, to the cultivation of indigo, and the actual immense advantages of this new branch of Trade to the Nation, as a fact to warrant the presumption of their being able to create them. Already they aver that these new sources of national wealth are in the germ of existence, and await only the creative hand of the Legislature to awaken into life. They tell us very truly, that a great source of national opulence is before our view—a new Trade, not to be sought for, but found. That the question is, whether it shall be enjoyed by Great Britain, or by foreign Nations? If we keep it to ourselves, the Commerce of the East will centre with us; if we leave it to Foreigners, British Merchants will go over to Hamburg, America, and other Countries, and carry it on, as heretofore, in defiance of any regulations of the Legislature to the contrary. Nor is this a vain apprehension. Recent decisions of our Courts of Law have declared such British Subjects, domiciled in foreign States for the purposes of trade, to be entitled to all the commercial rights which, under existing treaties, appertain to the subjects of such States; whereby the Company's monopoly of one branch of the Trade, the rights of the Public to participate in the other, and the laws of the Nation to protect both, may be equally invaded and eluded; which leaves us no other alternative but to meet the danger by a system of wise and liberal policy, that shall render these emigrations, and evasions, equally unnecessary, by re-

lieving the British Merchant from all such temptations to transplant his industry and capital to a foreign land, by opening to his view a more easy, beneficial, and direct means of trading in this surplus produce of British India, than through the medium of foreign protection, without at the same time endangering that system under which our possessions in India have hitherto been held with such advantage to the Nation.

In default of this, by repealing, as the Legislature has done, all those Acts of Parliament which formerly were framed with a view of preventing a clandestine commercial intercourse with Foreigners, and allowing the Free Merchants, and others residing in India, to act as agents in their behalf in the sale of their Imports, and provision of their Exports, we are, in point of fact, only increasing the evil, by throwing a larger portion of this Surplus Trade into their hands, unless British Subjects resident in India have the same facilities given to them in carrying on their Trade, which by the Act of 1793 is thus extended to Foreigners. If a British Merchant, by repairing to Ostend, can become a foreign subject for the purposes of trade, equally in the factories and settlements of these foreign States can he become domiciled for similar purposes; for their flag is as protective in the one case as in the other. The treaties under which these rights exist, apply to wherever their sovereignty exists. Their sovereignty exists within the precincts of where their laws are current. The principle which, under these treaties, converts a British into a Foreign Subject, so as, by these treaties, to confer on him, while resident in these foreign States, the same commercial rights and privileges as enjoyed by the natural born subjects of such States, equally bestows on him this relation, wherever independent commercial rights appertaining to these States exist. Such rights therefore, as foreign Nations possess in their settlements in India, under treaty, or grants, either from the Emperors of Dehly

formerly, or from the Soubahs of Bengal latterly, come under this description; and whatever benefit, protection, or commercial advantage is imparted to their subjects by these, may, according to the late construction of the treaty with America, be enjoyed in a similar degree by British Subjects, if domiciled in their factories for commercial purposes. The Free Merchant, therefore, has only to remove from the limits of the Company's authority to Chandernagore, Chinsura, Serampore, or to any of the different foreign factories on the coasts, and he is put into possession of all the advantages he is seeking to acquire, and which he conceives it to have been the intention of the Act of 1793 to confer upon him. The policy therefore of counteracting the effect of such treaties, and of preventing them from being, in any degree, the instruments of alienating from us our industry and capital, must be too evident not to enforce the prudence of giving to our own Subjects such encouragement as shall render nugatory to them any such privilege, and useless to foreign Nations any such rights. In this way the capital of the British Free Merchant may be made to fertilize his native soil: by tempting it into a foreign channel, it feeds the industry of our rivals. By the means of India-built ships alone, combined with lower duties here, can this valuable branch of Commerce be secured to the Mother Country. The admission of these ships is the main principle on which they rely for the attainment of these great ends; and if the wisdom of Parliament shall sanction their prayer, they entertain no doubt of reclaiming from foreign Nations a Trade, which mistaken policy has greatly diverted from us, and of effecting the purposes of Parliament, in that part of the Act of 1793, in which their claims are founded, by rendering it the instrument of contributing to the opulence and aggrandisement of the British Empire. And in corroboration of this statement, they offer the incontrovertible evidence of two most important facts. First, the

expenditure by them, in the year 1799-1800, as already stated, of near one million sterling, in the purchase of British manufactures, and the repair of their ships in our dock-yards; affording a striking instance of a successful attempt, on their part, to realize the views of the Legislature, by enlarging the commercial intercourse between Asia and Great Britain, and clearly shewing, that nothing is wanting, but a confirmation of this system, to accomplish all the great ends which were in the contemplation of the Legislature, on the renewal of the Charter of the Company, with a view to the prosperity and happiness of the natives of India, and of the subjects of Great Britain:—and, lastly, the great increase in our Asiatic exports and imports, exceeding, in their amount, (as recently stated by his Majesty's Secretary of State, Lord Hawkesbury, in the debate on the Preliminaries of Peace) by upwards of two millions sterling annually for the last three years, the largest exports and imports of Great Britain and British India at the most prosperous periods of peace, before the renewal of the Charter of the Company; and it may be added, exceeding in an equal ratio the three preceding years, when they were chiefly restricted to the statutable tonnage; to which increase, from the encouragement held out to them by the Act of 1793, they have largely contributed, in conjunction with the capital of the Company; and which indubitably proves (as admitted by the Court of Directors in their Memorial of 1797) the good policy on the part of the Legislature, of making the Public become partners with the East India Company, at the passing of that Act, by securing for it a right to participate in that Surplus Trade of India, which the capital of the Company could not reach, and in which, from its nature, and their own situation, it had never been thought prudent for them to engage.

Such, in brief, are the claims and the notions of the Free Merchants.

Against this prayer the Court of Directors have loudly raised their voice, but feebly lifted their arguments. Unmindful of the sentiments and opinions expressed by them in their Memorial to the Lords Commissioners of his Majesty's Treasury in 1797, they undervalue the nature of this Surplus Trade, diminish the magnitude of the evil for which they then implored a remedy, vindicate the foreign, and attenuate the Clandestine Trade, and deprecate the admission of these India-built ships as a measure calculated in its ultimate effect to involve the Company in ruin, and convulse the interests of the Nation at large.

The question then is, whether such a consequence is likely to result from such a measure? On this subject the Public is to judge. It is a question of fact on the one side, and of assertion on the other. As far as the evidence of facts hitherto goes, it establishes not only that no mischief has as yet resulted from the admission of these ships into Great Britain, but that much advantage to the Nation, and accommodation to the Company, and Individuals, have arisen from the measure. As far, then, as the danger is to be traced in assertion, we must look at the grounds of this, to see how far the apprehensions of the Court of Directors are chimerical, or the reverse.

What then are the principal objections to the measure?

First—They allow the objections of the Free Merchants against the statutable tonnage of the Company to be valid, and admitting that a remedy is necessary, they only differ with them as to its nature. To obviate in future the inconveniencies, of which the Free Merchants have hitherto complained, they propose to provide a fleet of inferior equipment

to their own regular shipping, at a freight as low as the India ships were freighted last season, which fleet shall solely be restricted to bringing home all the Surplus Trade of India, which British capital can embrace, without being exposed to detention, circuitous route, or any of those other causes of objection enumerated by the Free Merchants, in their various Memorials, which are admitted by all parties to have greatly obstructed the fair operation of the Act of 1793.

Secondly—They aver the Trade of foreign Europe with British India to be in many respects beneficial ; that its increase is the consequence of the greater security Foreigners derive at our Ports, and of the superior facility they meet with in providing their investments, through the agency of British Subjects ; that it has been the policy of the Company, and of the Supreme Government in Bengal, to encourage foreign Nations, in amity with us, to resort to our settlements for commercial purposes ; that their right of trading to India is independent of our control, that it was antecedent to our conquest, and remains unaffected by the tenure on which we hold the sovereignty of our possessions in that quarter : that if it were practicable, it would be unwise to exclude them from a participation in the Trade of India ; that such a measure would recoil on ourselves, and prove generally ruinous to our own Eastern Commerce ; and that foreign Nations, in return, would repel such invidious policy, by prohibiting the entrance of the productions of the East into their Ports.

Thirdly—They declare that, whereas the increase of the Clandestine Trade is urged as a ground for supporting the claims of the Free Merchants, who maintain that through the means of admitting their India-built ships alone, can this Clandestine Trade be destroyed, that such assertion is not warranted by fact ; and consequently the main ground on

which the advocates for the Free Merchants rely in supporting their pretensions is impeached, and the necessity of the measure, founded in such reasoning, disproved. And in support of this position, they offer the statements contained in their Report, as extracted from the Commercial Register of Exports and Imports, transmitted from Bengal.

Fourthly—They allege, that allowing the British Merchants in India “to send their own ships with their own goods to England,” though subject to all the Company’s regulations, and passing immediately through the Channel of the Company, “is, in effect, to desire the opening of the Trade altogether;” that the question therefore is, “not merely whether the Company shall be divested of its most valuable privileges, but whether this Country shall carry on its Trade to India on the same principle it trades with its American Colonies;” and viewing the subject in this light, arguing from these premises, they maintain, that the measure of allowing these ships a renewed admission into Great Britain in the shape proposed, and for the purposes stated, would be an infringement on the Company’s rights, and threaten eventually the security of their own Trade and Territories, by raising up a separate commercial body in the heart of their Empire, whose “genius would antiquate the present system,” and whose turbulence would make them “impatient of all the rights of British Colonists.”

And lastly, under a deep impression of these awful consequences, they insist that this measure contains in its principle the germ of colonization; that to adopt it would lead to all the evils of an unrestrained colonial system; that it is a change of too important a nature not to awaken us to a sense of the danger of innovation in general; that levelled at the Charter of the Company, it strikes at its present existence, or points against its future renewal: and that, however much it may be calculated

to enrich a few individuals, in its ultimate tendency it threatens to expel us from India, and to bring down ruin on the British interests in that quarter.

Such are the main objections of the Directors to the measure of admitting these ships systematically into Great Britain.

All these are very alarming consequences; and the Report designed to establish them opens in a manner well calculated to fix the attention, and rouse the apprehensions of the Public. The Court of Directors admit the subject to be momentous. They profess to have investigated it most deeply. They reject the notion of further lights being necessary. They confidently rest on their own more extensive means of comprehending it justly, than the collective wisdom and experience of their ablest Servants; and thus fortified by a conviction of their own superior sources of information, they meet the Proprietary with the result of their unanimous decision.

Under such circumstances it will not be a matter of surprise that a body of men, who, in point of ability and integrity, are so deservedly high with their constituents, should be considered to have decided wisely; and that the Proprietary should have largely united, by a powerful majority, to support their Executive Body. If, however, it should appear that this Body, claiming support on the ground of no future light being necessary, should have come to a decision on this important question with evidently defective intelligence; and that subsequent information should prove them to have assumed erroneous data as a basis whereon to found the structure of their reasoning, not only it will not be matter of regret that the superior wisdom of the Board of Control should have

corrected the inferior perceptions of the Directors, by prohibiting the dispatch to India in the month of June last, of the impolitic orders they were transmitting to the Governor and Council of Fort William on the subject; but arguing much against their own precipitancy, it will point out to them the danger of delivering themselves up too rapidly to the current of their prejudices, and generally serve as a lesson to the Court on the one hand, to investigate more deeply when they mean to pronounce as dogmatically, and to the Proprietary on the other, not blindly to surrender their judgment, in compliment to the respectability of the Directors, in cases where their deepest interests are at stake, and where erroneous decision may bring irremediable ruin on their affairs.

The first and most obvious feature presented to us by the perusal of this elaborate Report, is its manifold and manifest inconsistencies and contradictions. It labours to shew that conceding what the Free Merchants desire will not afford to them such a reasonable hope of profit as to make it wise for them to embark in this Trade, and yet it concludes by affirming, that "*it will become permanent,*" and themselves "*dangerous.*" The Report opens by asserting, "*that there is positive evidence that the foreign Trade has greatly decreased;*" and concludes, in a postscript Report, by observing, that "*Lord Wellesley has shewn a very large increase to have taken place in the year 1799-1800, in the Imports of foreigners, especially the Americans and Portugeze, into Bengal, and in their Exports from thence. In these years there appears to have been a real and considerable increase in the Trade of Portugal and America.*" The Report asserts, "*That the Exports of Bengal to foreign Europe and America, taken together, have not on the whole increased during the last thirty years, from a comparison of its foreign Trade at the present, and at former periods;*" which infers, that they have been stationary, though they

assert them, as above, to have "*greatly decreased.*" And yet, the Resolutions of the Court of Directors, bearing date the 4th of February, 1801, grounded on this Report, and framed as a series of corollaries, flowing from the *facts* and *principles* established by the Report, not only in resistance of the Report, negative this assertion; but the third Resolution, though framed to support it, pointedly refutes it, by averring, "*that the maritime Exports from India, exclusive of those for the Company, are now greater than they were at any former period.*" The Report affirms, "*it is evidently good policy to encourage the Trade of Foreigners; if it were practicable, it would not be wise to bring it to our own Ports;*" and yet the Memorial of 1797, negating this principle, and inviting us to attract it to the Thames, by considerations of the soundest commercial and general policy, asserts, "*It is matter of great regret, that most of these private ships sailing to and from India, under foreign flags, are navigated by English seamen, who are thus alienated from their country;*" and that if this were prevented, by lowering the duties on Indian goods, so as "*to make London the great Emporium of India Commerce, all the advantages stated to result from this Trade to foreign countries, when transferred to this country, would centre here.*" In recommending the protection of this new branch of Trade, the Memorial urges that "*the India Trade does not drain this Country of its capital, like the West India Trade.*" In discouraging its continuance, the Report affirms, "*It would transplant much of the capital of Great Britain to carry on the agriculture and manufactures of that remote region.*" The Report admits it to be highly desirable, that the Private Trade of individuals should be brought home to the River Thames, that it is their duty to facilitate the object, and that the means of accomplishing it is at what they sincerely aim. With this view, preferring to send vessels to a dis-

tant country for its produce, while there are vessels in its harbours to ship it, (like sending afar for a carriage, when there is one at hand to convey us) they conclude by proposing to employ British ships of an inferior description to bring it, as the best mode of effecting this end, although, in the body of the Report, they previously refute this position, by observing, that "*in bringing to Europe Indian commodities, in which the Trade mainly consists,*" (and therefore claims preferable consideration) "*Indian ships would have a clear advantage over others, because the equipment of them could be adjusted with certainty to the number and times of the cargoes procurable;*" which certainly cannot be said of any other description of vessels sent from Europe. What is this but the essence of the case? On this just definition, by the Court of Directors, of the superior convenience of India-built ships over every other class, for conveying home the Private Trade allowed to individuals, the Free Merchants may rest the policy of complying with their pretensions; for it is in this that their evident superiority consists. Either the Court of Directors perused this Report, or they did not. If they perused it, where is their consistency? If they did not, where is their duty? It is not only the Memorial of 1797, and the Report of 1801, that are at variance with each other, both in *facts* and *principles*; but the mellowed and mature Report of 1801, is equally in continual hostility with its own doctrines and positions.

Having noticed a very few of its inconsistencies, it is time, Sir, to advert to some of its arguments.

Among the inconveniencies to which the Free Merchants have stated themselves to be exposed, the Court of Directors, in enumerating these,

justly state, “ *That the Merchants are exceedingly disconcerted and discouraged in forming their speculations, neither knowing what quantity of tonnage they may depend on, nor when it will arrive, nor when the ships that do arrive may sail, nor where they may be immediately destined; and if extra ships are allotted for the transport of their goods, though the rate of freight be less, the cost of insurance is higher, and the other disadvantages nearly the same; from all of which circumstances they are rendered quite uncertain what provision to make of goods, or how to form their arrangements in taking up money, and drawing bills on Europe, and regulating their insurances with most safety and advantage; whence, in conclusion, it happens that they are frequently left with goods on their hands, which either must remain in their warehouses till another season, or be sold to foreigners, or at least shipped to foreign ports, to the manifest loss of this country.*”

On this statement two things are admitted by the Court of Directors. First, that it is desirable that the consignments to Europe of the Free Merchants should be brought to the Port of London. And next, that with this view it is fit a remedy should be provided. The remedy, therefore, is suggested by themselves; and the plain question will be, whether the remedy is capable of effecting its end?

The remedy proposed is to provide a fleet of extra vessels of an inferior equipment to the Company's regular shipping, to be built by contract, for the purpose of accommodating the Free Merchants, which fleet is to be freighted to them at a rate equal to the freight of the India-built ships of last season. Beyond this the Directors do not offer any other mode of removing the grievance.

What then are the objections to this remedy as it respects the Com-

pany, the Free Merchants, and the Public? In these three points of view we must consider it.

First, as it relates to the Company. It is obviously exposing them to the risk of having these ships occasionally sail, and return in ballast, because, in the first instance, they are not to interfere with the regular shipping destined to carry on the exclusive Trade of the Company, which it is an object of high national policy to protect, which can only be preserved by liberal freights, and can alone be respectable while science illumines the minds of its officers: and in the second, the Free Merchants cannot ensure to the Company a regular permanent freight, as their speculations and purchases must entirely be regulated by the state of the markets in India, and the extent of the demands in Europe for the articles wherein they are allowed to traffic. The Free Merchants will not speculate but on a previous certainty of an adequate and immediate supply of tonnage for their goods; and the Company cannot depend on a regular constant demand for the tonnage they send out; and yet, at a venture, they must provide the tonnage, without the necessary intelligence as to the extent of what is required. But beyond this, it is universally admitted, that these India-built ships are more substantial, better found, and sail at a much cheaper freight than the Company's extra ships. In engaging, therefore, to provide such a fleet for the Free Merchants, without even any adequate security for the regular and full occupation of its tonnage, at a freight as low as the Free Merchants pay to the Owners of India Shipping, of course they take on themselves to pay the difference between British and Indian freight to the Owners of these extra ships. And as they admit, in their Report, that they have already sustained a considerable loss by so doing, it therefore appears, waving the difficulty of confining this fleet invariably to its precise object, which recent experience shews to be imprac-

ticable, not only that the principal inconveniencies to which the Free Merchants are exposed by the present mode of supplying them with tonnage, would not be removed by the remedy that is thus proposed; but that the further result of such a measure, as it affects the interest of the Company, would only be to augment considerably this loss, by incurring the risk, in the first instance, of sending out a fleet to India, without a certainty of obtaining cargoes home; and in the next, in the event of such a fleet, or a larger one, being required, to swell considerably this loss to the Company, which must increase in a ratio with the growth of the Trade, since in proportion to the increase of the Trade, which is largely expanding itself, they propose to augment their improvidence, by increasing the tonnage. Such a plan, therefore, is not suitable to the true interests of the Company.

With respect to the Free Merchant, his objections against it are not less solid. He tells us justly, that he is embarrassed if compelled, under any modification, to depend on the Company for tonnage; that he can neither suitably arrange his freight, or distribute his cargoes; that his trade is not a trade of large profit to the individual; that it consists of such articles chiefly as are either new to the Commerce of Great Britain, or rejected by the Company; that it is carried on at a comparatively low rate of freight, with strict economy, and extraordinary expedition; that its end is to meet, not only the home, but the foreign markets, on re-exportation, and yet maintain a superiority therein; and that on such principles only can this end be realized—that it is evident, from the experience of the last seven years, that the tonnage engaged in England by the Company, for the service of India, can never be rendered a practicable channel by which the Private British Trade can rival the foreigner, the great object of the Legislature to accomplish, and which the “Ware-

"*housing Act*" of 1799, regulating the duties on East India goods, is designed to effect, its preamble declaring its object to be, to secure to this Country the benefit of an extended Trade in goods, the produce and manufacture of the East Indies: That these are not the opinions of the Free Merchants alone; that the unvarying opinion of all the ablest Servants of the Company, both who are, or have been in India, points out to the Company and the Nation the expedience of employing India-built Shipping in the Private Export Trade to Great Britain, as the only class of Shipping capable of substantially enlarging the commercial intercourse between both countries, without affecting, at the same time, the exclusive Trade and Chartered Privileges of the East India Company.

Yet this is but a branch of the argument. Look, Sir, at the situation of the British Manufacturer, as connected with that of the Free Merchant, under the plan proposed by the Directors. In point of fact, such a plan, by the discouragement it offers to the Free Merchant, would virtually supersede the wholesome intentions of the Legislature towards the British Manufacturer. Already it is admitted that the 87th clause of the Act of 1793, framed in his behalf, allowing him to export his own produce, and providing him with the means of so doing, remains a dormant right, which he has never exercised. And it is pretty evident, as experience proves, that in looking to an enlargement of the commercial intercourse between Great Britain and her Eastern dependencies, which can only be effected through the means of bringing home the Surplus Trade of India not occupied by the Company, that we must seek for it primarily through the channel of the Free Merchants, and not through the exertions of the British Manufacturers themselves. True policy, therefore, invites us to afford a liberal protection and encouragement to the Free Merchant, as a more certain mode of attaining the ends of the

Legislature, than through any encouragement that can be held out, with wisdom, to the Manufacturer himself. The Manufactures of Britain cannot be the means of drawing from the East its produce. The commodities and produce of the East must be the means of attracting to it the Manufactures of Britain. What are the Company's Exports but ballast for their vessels? Though capable of increased circulation, as recently shewn by the Free Merchants, our Manufactures must ever, in the extent of their circulation throughout India, be limited considerably, by moral and physical causes. The native arts and immemorial habits of the people are against as extensive a consumption as we could wish. Still, however, we have a great commercial end to accomplish: this end is to enlarge the exports of our own Manufactures, as far as we can, compatibly with these limitations. Whether the British Manufacturer, or the Free Merchant, may effect it, is not so much the question, as who does effect it; and if, as experience shews, the British Manufacturer cannot of himself effect it, let us then liberally turn to the Free Merchant, and, by removing obstacles, and providing a just relief for a case unforeseen, make him the instrument of realizing the solid objects of the Legislature, by affording increased employment for our Manufacturers, and enlarging the channels of sale for their produce. To say that this can be effected, in the same degree, by sending out tonnage to India, is wild. What is the case, where the ship is the property of the Merchant? The returning cargo is to constitute a part of the profits of his voyage; and enters into the inducement with him to embark in the concern. His returns are to consist of British Manufactures, to be paid for by the proceeds of his cargo from India. To his successful adventure from the East, the British Manufacturer is therefore to look for additional calls on his industry. But unless the Free Merchant is placed in a situation, by the previous sale of his Indian cargo, to require the Manufactures of this

Country for his returning lading, it is impossible that he can in any degree contribute to promote the views of the Legislature by stimulating this industry. How are these extra ships, proposed to be supplied by the Company, to be provided with cargoes on their outward voyage? Either the Company, or the Free Merchant, must find them lading. But the Company cannot do this without interfering with their regular Shipping, and thereby disturbing their own system; and the Free Merchant will not do it till the sale of his cargo, consigned to Europe, has provided him with the means. We must first, therefore, look to the means of facilitating the arrival of this cargo from India. To this may be added, that nothing of doubt must attach on the possibility of obtaining the requisite tonnage for his goods. But how can he rely on the inviolable arrival of ships liable to all the casualties of the seas? By providing his own tonnage, he embarks in his speculations with confidence, because he has before him the certain means of immediately shipping his goods for Europe. By depending on the Company, he is the sport of chance. In the one case he is made liable to disappointment: in the other, he is protected from its occurring. Such a plan, therefore, while it involves the Company in loss, and represses the industry of the British Manufacturer, would not be a relief to the Free Merchants against the inconveniencies stated.

With respect to the Public, the subject is still of a deeper importance. It involves not only commercial, but political considerations of the first magnitude. It has long been admitted, that a scarcity of ship-timber, fit for the purposes of our Navy, is felt in this country. The Report of the Commissioners appointed by Parliament in the year 1787, to investigate into the state of the Crown Lands, but too well cautions the Public against the danger of this evil increasing; and the Act of the Legislature,

restraining the Company from building any more ships till their tonnage was reduced to about 40,000 tons, was wisely framed to check its progress. Since this Report was published, notwithstanding the watchful care of the Legislature, it has extended itself in an alarming degree, and the enormous increase in the price of Shipping since the year 1792, and consequently in the rates of freight, is an evil that is too generally felt, both in our naval arsenals, and by the commercial community, not to challenge the most serious attention. We are threatened with an ultimate failure in these great and useful supplies, on which so essentially depend the prosperity of our Manufactures, the security of our Trade, and the preservation of our Independence. The separation of America deprived this Country of an annual accession of Shipping to a great amount. In one year, perhaps, it has been two or three hundred sail of vessels; and although our Trade has increased considerably since that period, yet no adequate supply of British tonnage has been provided, equal to the enlarged demands of our more extensive and increasing Commerce. Hence, it has been admitted, by the best and first authorities, that we have out-traded our Shipping; and that a remedy is necessary with a view to the relief of our Trade, and the protection of our Navy. The most desirable remedy seems to be, to diminish the consumption of British timber, and increase the quantity of British Shipping. But the plan of the Directors, by proposing to create an additional fleet, which can only be built and kept up by further inroads on the national stock of ship-timber, is, in point of fact, when our situation is considered, but proposing, in other words, to aggravate a very serious evil. What is it but subtracting from the British tonnage what is wanted here, to augment the Indian tonnage which is not required there? Not only the timber requisite for such a purpose will be considerable, but the increased consumption of naval stores which must in consequence ensue,

will also, in its effect, contribute to swell the evil, by increasing the price of ships and naval stores, and enhancing on exportation the freight and cost of British manufactures, to the general detriment of this Country. Such a plan seems most injudicious.

The next most obvious mode that occurs, is to provide this fleet in a way not liable to these objections, and that shall at the same time answer the double purpose of increasing the quantity of British Shipping, without diminishing the stock of British timber. To India alone can we look for this double advantage. Our possessions in that quarter abound with forests, containing timber more durable in its quality, and larger in its growth, than any to be met with in the woods of Europe. The numberless rivers that descend from the Malabar mountains, afford a ready opportunity of floating this timber to our dock-yards. The mountains bordering on the west of Bengal afford abundance of timber fit for the purposes of Ship-building, and large plantations of teak are already spreading over our Provinces in Bengal. Here, therefore, is a nursery from whence we may draw the most valuable supplies; and while we retain our Empire in India, the Navy of Great Britain, in the event of a failure in our national stock, may still be kept up in all its strength and glory. Upon grounds of general policy, both political and commercial, we are called upon to cherish these springs from whence, in the day of need and difficulty, we may derive such valuable aid; for there can be no doubt, but that timber produced in India may be so applied to the purpose of Ship-building, as to lead to consequences highly important and advantageous, not only to the commercial and political interests of Great Britain, but likewise to those of British India. On grounds of commercial policy we ought to give every encouragement to the Trader from British India, to supply the British Manufacturer

with the raw material as cheap as possible. On the cheapness and superior excellence of our manufactures depend their extensive circulation. The interests of the British Manufacturer therefore depend on the facility given to the Free Merchant to reach our markets. How is this to be done, but by enabling the Trader from India to bring home this raw material at as low a rate as possible? And how is this to be effected, but by enabling him to import it here as expeditiously as he can, and at as low a freight as he can obtain in India?

But beyond this, our Merchants and Manufacturers here have a further interest in promoting the sale in Great Britain of such India-built Ships as may occasionally arrive here, and are not required for the tonnage of India, with a view to their being incorporated into our own tonnage. The cheaper we can export our manufactures, the larger will be the demand for them from foreign countries. The cost of transit must have a material influence on their sale. The higher the freight, the higher the price of the commodity. To diminish, therefore, the rate of freight from India, so as to make the Commerce of that country centre here, and thereby to aid the manufactures of Great Britain, by enabling our Artisans to purchase the raw material at as cheap a rate as possible, is not less an object of commercial policy for us to pursue, than to diminish the rate of freight on the exportation of this manufactured produce, so as to enable us, with equal advantage, to preserve our ascendancy in the foreign markets. How is this to be done, but by supplying the Empire with Shipping equal to its Trade, which, by general acknowledgment, at this moment it does not possess? In this way two objects are attained—First, the Port of London is made the Emporium of the Commerce of India; and next—the sale of British manufactures is thereby further increased, by lowering the cost of them to foreign Na-

tions, both of which, as great national objects, are clearly within the policy of the Act of 1793. Two points, therefore, ought to attract the attention of the Public—First, to lower the rate of freight from India by the admission of India-built Ships; and next, to lower the rate of freight in Great Britain on British Shipping, by permitting the registry and sale of India-built Ships here. All parties admit, that it is reasonable the Private Trader should be allowed to bring home as much of the Surplus Trade of India as the capital of the Company cannot reach, and the capital of Resident Individuals can embrace. Is it not then as reasonable, with a view to the same end, that the surplus demand of our own Trade for Shipping, beyond what the stock of the Country and the industry of the British Shipwright can supply with convenience to our Navy, should be raised in possessions of our own capable of producing it, and where our own Subjects can conveniently construct it? The injustice of the contrary notion, as Mr. Dundas well observes, in his Letter to the Committee of Ship-builders, July 1, 1797—“ *consists in depriving*
“ *a great description of the subjects of Great Britain of a right undoubtedly*
“ *belonging to them. The British territories in India are under the sove-*
“ *reignty of Great Britain, and the ships built there are equally entitled to all*
“ *the privileges of British-built shipping, as those built in the West Indies, or*
“ *Canada, or any other foreign dependencies of the Empire; and I have never*
“ *heard that the Ship-builders of Great Britain have set up any claim to pro-*
“ *hibit any of the Shipping in those quarters from bringing home the produce*
“ *of their own territories in ships of their own building, if they found it con-*
“ *venient so to do; and yet it is obvious that the same plea of interest, and*
“ *supposed injury, would equally apply.*” The Free Merchant of British India, therefore, in point of fact, is pleading the cause of the British Manufacturer; while the Shipwright of India is equally pleading that of the British Shipwright, who must in a similar degree be benefited, by having

the repair, in his own dock-yard, of those vessels which otherwise will be repaired in the dock-yards of foreign Nations, to their gain, and our disadvantage.

But when we rise to political considerations, the subject meets us in a grander light. In the forests of Hindoostan we may discern the means of strengthening not less the shores of India, than the coasts of Britain. Nor let the Landed Interest be alarmed by such a prospect. To them, as to the Nation at large, it teems with hope, and offers no discouragement to the growth of British timber. It comes as an auxiliary to protect their nurseries, and not to overshadow them, when they are fit for use. It rises around them like a fostering foliage, to guard them from the nipping frost of too early a fall. In the scarcity of the means of defending the State, the owners of British timber can have no solid interest in aggravating the calamity, and benefiting by the public dearth. If corn is imported, when dear, to feed the People, shall timber be rejected, when wanted, to defend the Nation? There is an interest paramount to every other in the State; the universal interest. This demands economy in every branch of the national expenditure; and if in so material a department of it as our Navy, a reduction can be effected in the price of ship-timber, it is the general interest of all to promote it; and the Landed Interest will not be the last to approve of the attempt.

But to them such an aid affords no cause of just jealousy. Their timber will always maintain its ascendancy in the market; yet even if a different notion should speculatively prevail on the subject, is it reasonable, that in the apprehension of a barely possible, and certainly a distant inconvenience, an immediate weighty evil should be endured? If experience should hereafter demonstrate any material injury to arise to the Nation

from availing ourselves, in the day of need, of these resources in India, it will then be our duty to apply a remedy. But in the mean while, we are suffering a great inconvenience both in our Navy and our Trade; it calls for relief; and it is our duty to afford it. We ought not to promote the interests of British India at the expence of those of Great Britain; neither ought we to sacrifice those of British India to the Parent State. The prosperity of an Empire depends on an equal distribution of advantages to all the parts of it. Our duty is to poise the scale justly; to make them aid each other to the benefit of both, without sacrificing either to any particular or preponderating interest.

To the forests of India then, let us look for relief. Already, during the preceding war, and the war which, happily for humanity, has so recently closed, we have seen the Company, notwithstanding the naval power of Great Britain, compelled to co-operate in defending their own seas, by converting the India-built ships of the Free Merchants into vessels of defence for the State. If it has been gratifying to see the Company's ships in Europe turning into the naval service of this Country, have we not seen in Asia, on similar occasions, these vessels bearing with honour its flag against our enemies? When Suffrein was ravaging our shores in India, a marine uprose, created by the genius of a Hastings, that strengthened the crippled fleets of Britain, and exacted from the British Admiral a grateful acknowledgment of its utility. Is not this a system to cherish? Was it not the skill, the industry, the capital, and the enterprise of the resident Free Merchants, that created such resources for the Company in the day of need? Is it not their capital that, at this moment, essentially aids our Revenues, feeds the Manufacturers of India, and must save the Company's ships from returning to Europe this season in ballast? Are they not the pivot on which public credit is suspended in

India? Were they not the creative parents of these new means of supporting the British interests in the East, when our struggles in the West unavoidably weakened our means of defence in these invaluable possessions? Have their ships not aided us in war? Have they not relieved us in famine? In a country like this, not growing corn sufficient for its own consumption, and liable to the double effects of dearness and scarcity, is it not desirable to have a refuge within ourselves, not dependant on foreign Nations, against the casual occurrence of so afflictive an evil? And is the coasting Trade of India alone sufficient to keep up that supply of Shipping which, in a moment of difficulty on the one hand, may aid our military expeditions in that quarter, and on the other, pour relief into the Parent Empire? May it not be desirable to make India participate in its own defence? While France has extended her line of coast, and her maritime alliances, will it not strengthen our home defence, to look to India, either for vessels of war to aid us here, or to lower the necessity for sending such large armaments there? And have not the Free Merchants of British India pointed out a road to the Nation, by the magnitude, excellence, and superior durability of their vessels, whereby its fleets may be preserved, and extended, and its empire over the seas be perpetuated? While the fate of the British possessions in the East appeared to hinge on driving the French from Egypt, and the hopes of this Country hung on assistance from India as the means of accomplishing this, what, but their fleets, conveyed our Indian army to the Red Sea, and enabled the conquerors of Seringapatam to carry the glory of their fame under the walls of Alexandria? Surely then this is a system which every consideration of national policy invites us to encourage. It opens a new bulwark to the State. It promises wealth to the natives of the East, and security to our valuable dependencies in that quarter. It ensures increased commercial and political resources to the people of Great Britain. It offers to their Trade, Naviga-

tion and Customs, a gradual increase. It presents to the Company the growing improvement of their Territories and Revenue.

These considerations seem to shew that the plan proposed by the Directors would prove equally injurious to the Company, the Free Merchant, and the Public; and that the measure recommended by Lord Wellesley, of admitting individuals to import their own goods on India-built ships, under the restrictions stated, is the only adequate remedy for the inconveniencies of which they complain.

I now come, Sir, to the Foreign and Clandestine Trade. And here again the Court of Directors appear to me to have overlooked the true question at issue. Whether they have entered into statements to shew that neither have extended themselves, or rather that they are declining, and the imports of bullion are increasing, and consequently that this is a Trade beneficial to encourage; whether this statement be accurate in the first instance, which must depend on the whole of the subject being fairly within their reach, which avowedly it is not; these are not so much the objects of primary consideration, as whether, from what is within our view, both, in their nature and extent, are seriously prejudicial to the commercial interests of Great Britain, and of a magnitude sufficient to justify the attempt of giving them a different direction? In arguing against the policy of admitting these India-built ships, on the ground that the evil likely to ensue from such an indulgence will be greater than any evil resulting from the continuance of the Foreign and Clandestine Trade, the Directors ought to have had in their view the whole extent of the latter evil, by shewing the whole extent of this Legal and Contraband Trade. Whereas all their argument proceeds from a partial consideration of its extent in Bengal, without adequate allowance for the greater

proportion which belongs to all their other settlements, and which in its amount materially varies the case. They under-rate the Private Trade, to over-state the public danger. Whether so far from being generally beneficial, it is not much the reverse; whether it is not of a magnitude to make it an object of just policy both with the Company and the Nation to check it, must be ascertained by its operation and its extent. Its operation we have witnessed—we have seen it enriching both our rivals and our enemies—and its extent, even on the limited scale, as viewed by the Directors, is established by Lord Wellesley's letter of the 30th of September, 1800, who watching, on the spot, its progress, and marking its effect, pronounces it to be of a magnitude in Bengal alone; to say nothing of Madrass, Bombay, &c. that loudly challenges observation. “*Unless (says his Lordship), means be adopted for depriving these Nations of the undue share which they have obtained in this Trade, the most serious consequences are to be apprehended to the combined interests of the English East India Company, and of the British Nation.*” On this point, therefore, there cannot be a doubt.

That the import of bullion in Bengal has of late increased, which the Report justly affirms to be beneficial, is true; and yet the inference drawn from it, that the trade of Foreigners is beneficial, would only be just in the case where this can be shewn to be foreign property. But in tracing the effect, let us not be insensible to its cause. It is greatly the import of British capital, and here is the complaint—the Foreigner is the Agent, while British Subjects are the Principals—he is taking out of our national capital all the advantages of transit, agency, and other benefits which ought to centre in ourselves—it is not denied that it is highly essential to encourage this importation of bullion into British India—it is only contended that since the larger part of it is British property, British

industry ought to supply it, and be permitted to make it flow into its natural channel.

But admitting, in point of argument, what cannot be conceded in respect of fact, that the Foreign and Clandestine Trade have gradually declined of late years, will it be maintained that this is not the consequence of the war, and that it is not to the Company's wants that this larger influx of bullion is chiefly to be ascribed? If so, will not the return of peace produce the contrary effect, and lessen our supplies of bullion from foreign States? And is not this an argument for promptly preventing the operation of this blessing from being, in the first instance, injuriously turned against ourselves by these Nations? The military operations of the war in India have unavoidably been extensive, and the expences attendant on these have necessarily, for a while, interfered with the usual appropriation of the Surplus Revenues. Hence, from the Company's Treasury being open during a considerable period of the war, for bills on the Court of Directors, Foreigners have not had the same means of getting money for their own bills on Europe as heretofore, when in more peaceful times, the Company's Treasury was shut, but have been driven, as in the days prior to our conquest, to the desirable expedient for Bengal, of bringing with them a considerable portion of specie to provide their investments. But now that peace has returned, the scene must change; our invaluable acquisitions in that quarter by the war, and more immediately the important cession of Ceylon, as well as the recent desirable acquisition of the full possession of the Carnatic, by adding new stability, security, and resources, to our Empire in the East, will enable us, to the great relief of the Company, to reduce considerably our general expences, and to make large reductions in our military establishments at the different Presidencies. The increased Revenue arising from our new dependencies,

combined with the growing means in the view of the Company, of reducing their debt to the standard limited, must, in the event of the continuance of peace, rapidly raise the British interests in India to a more durable and enviable state of prosperity than any they have yet witnessed. Then, unless we now anticipate and subdue the danger, in the easy means afforded to Foreigners of providing their investments through the specie of the country, for bills on Europe, from the Company's Treasury being no longer open, will this influx of bullion decline, and the evil itself become still more perceptible. The present, therefore, is the moment to correct what is defective, without impairing that which is perfect, and to establish a system, on the basis of ensuring to the Company and the Nation increased advantages from our possessions in the East, without, at the same time, in any way disturbing the main foundation of our present system of Indian policy, or affecting the rights of independent Nations.

But, say the Court of Directors in their Report, "*we cannot in justice seek to deprive foreign Nations of the rights they have acquired to a share in the Indian Trade.*" If such were the pretensions of the Free Merchants, these pages would not be devoted to shewing the policy of extending to them the indulgence they solicit. But the argument is pressed against them with more of acrimony than of justice. Undoubtedly an attempt of this nature would justly irritate, against us, all Nations trading to India. It never can be in the contemplation of Government to interfere with the rights of foreign Nations to visit Hindoostan. But it is not less the interest of the Company, than it is the duty of Government, to prevent foreign States from exercising this right injuriously to ourselves, by converting it into the means of encouraging our own Subjects to violate the laws, and wound the interests of their Country, by carrying on, under their flag, a Clandestine Trade, to the profit of these Nations, and to the loss and injury

of the Mother Country. All that is demanded is, that the Trade of foreign States may not be carried on with British capital, but that it may be prosecuted with their own in the freest way, compatibly with their acknowledged rights. Can foreign Nations complain of this? Will their Governments, conniving at this breach of the moral duty of States towards each other, be disposed to remonstrate against extending nothing but fair protection to our own interests, and giving to our own Subjects, merely those advantages which a breach of this duty has enabled them to attract to their own ports? Will it lay us open to complain that we are just to ourselves and to them, not seeking to interrupt their fair Trade, but only labouring to protect our own, and guard it from the dilapidations arising from an invasion of it on their parts, by employing their flag to undermine it? Surely no Government can be so absurd as not to admit, that in this we are acting strictly within the rule of national policy and justice. Enjoy every privilege of your own, but leave ours sacred. Debase not the honour of your flag by waving it as a veil to cover illicit Commerce; and in this way every cause of jealousy or complaint is removed. Meet our Merchants in the markets of India with your own capital, but do not encourage them to enable you to trade with theirs. This is all we desire. Where is the foreign Nation that can feel wounded by this language? And is not this the language which sound policy invites us to hold on such a subject? It is chimerical to suppose, that by adopting such principles, they will shut their ports against us—while the wants of luxury continue, and the manners of Europe remain unchanged, the produce of Asia cannot be dispensed with; nor, if what is not likely to happen, we could offend them by being just to our own Subjects, would the severest laws prevent their consumption. In Spain the clandestine exportation of Bullion is punishable with death, and yet the severity of the law has never subdued the continuance of the practice.

Let us then awaken to a sense of our own interests, and without invading the rights of foreign Nations, pursue that line of policy which best protects the Company's Charter, and secures to the British Nation the full enjoyments of its own rights. This line the Directors have well marked out in their own Memorial of 1797, wherein they say, "*The policy of Great Britain certainly should be to remove every obstacle that will prevent our carrying on this Trade upon as low terms as any other country. If this was done, there is every reason to hope that almost the whole trade from the East would pass through London.*" If, by fair commercial regulation, not trenching on the rights of other maritime Nations, this can be effected, will it be maintained that we are not invited so to do by every principle of commercial and public policy? And if this can be attained by only placing our own Subjects in India, in respect of the East India Company, on the same footing on which Foreigners stand in relation thereto, with regard to the provision of freight for their goods, will it be argued that we ought to forego so favourable an opportunity of converting a growing and long admitted evil into an engine for adding to the strength and resources of the British Empire? For this purpose nothing is necessary to the British Resident Merchant but the fair operation of his means and his industry. Give him but the advantage of Indian freight for what remains after the Company's investment is provided, and he will meet the Foreigner with superior advantage in the markets of the East, and thereby be enabled to rival him in the markets of Europe. The foreign Merchant repairs to India for its produce, because he can bring it home cheaper than ourselves. But if, pursuing the policy recommended by the Directors in 1797, we can supply him with it cheaper than he can bring it home himself, then, to the benefit of the Company's sales, and home duties, as well as to the customs and navigation of Great Britain, he will look for it here in preference to repairing to so distant a

quarter to procure it. And this seems to be the policy of the Act of 1793 to effect.

In what originated the Commutation Act? We all remember the clamour against it, and yet we have lived to admire the wisdom that dictated the measure. This Act had for its object, as this measure proposes, to destroy a clandestine foreign Trade, and improve our own resources. Prior to the passing of this Act foreign Nations not only surpassed us in the China Trade, but smuggled half of their teas into this kingdom, to the detriment of our Revenue, to the injury of the Company and the fair Trader, and to the augmentation of their own wealth, navigation, and revenue. When that bill passed, what was the consequence? Smuggling was annihilated, the Revenue was increased, the Trade of the Company was improved, their profits were largely enhanced; foreigners were driven from the market of China by the fair operation of British wisdom and British industry, the tonnage was augmented, and the whole tea falling into the hands of the Company, Great Britain became from that period to the present moment the grand emporium of the produce of China, crushing thereby a foreign clandestine Trade, carried on with British capital raised in this country, which annually drew out of it a million sterling. Let us then be enlightened by the lesson, and apply to British India the principle by which we have acquired from China such invaluable advantages to the Empire. In this way, without offending foreign Nations, the general trade of the East will rest with ourselves; and a valuable addition will be made to the means of supporting the burdens of the State.

Having thus established the good policy of attracting to this country as much of the general Trade of India as its capital and industry can

reach, and developed the principles on which such a position rests ; having shewn the utility of employing India-built ships preferably to all others, for the purpose of bringing home the Surplus Trade of India, it remains to be considered, in what respect an indulgence of this nature is to be considered, as “ *in effect to desire the opening of the Trade altogether?*” And here we may well apply to this assertion of the Court of Directors, the just remark of Mr. Dundas, in his letter to the Chairman of the 2nd April, 1800, as applied to questions relating to their shipping—“ *Upon this subject there seems to be a greater abuse of terms, and a more palpable confusion of ideas than upon almost any other part of this complicated question.*” What is it these ships are to do ? To bring home only such goods as are not required by the Company. How are they to be chartered ? In the first instance to the Company, and re-let to the Free Merchants. By the Act of 1793, the cargoes of these vessels are to be landed in their warehouses, sold at their sales, and their officers and crew subject to all the restrictions of the Company’s regulations. Does this, in any degree, partake of the nature of a Trade on colonial principles with our American Colonies, where the Merchant is fettered by no such restrictions, but is left at liberty to pursue the range of the Trade, and is not restricted in the articles of his choice ? Can it be said with justice, or even with that appearance of candour and moderation which in general so much distinguish the conduct and the writings of the Court of Directors, that such a measure is to “ *divest the Company of its most valuable privileges.*” Let us only soberly look at their privileges, as well as at the rights of the Public. This, possibly, may disperse the confusion ; and recal them to a more clear perception of the nature of both.

How speaks the Charter ? By the 71st clause of the Act of 1793, the Company’s monopoly of the Trade to the East Indies is renewed, but it

is modified and made subject to the several limitations specified therein. The 87th clause protects the Company's Exclusive Trade, by making it unlawful to trade in any of the articles therein enumerated constituting the Exports and Imports of the Company. The 92d clause, to protect the Company's Trade, establishes regulations to prevent the Private Trade of individuals from being landed, or sold, but under the order and authority of the Company. By the 80th clause, any wilful breach, or non-observance of the restrictions, limiting the Private Trade of individuals, is deemed to be unlawful traffic, and a misdemeanor at law. The 97th clause subjects the Agents of Private Traders to the authority of the Company. And the 98th clause restricts any person from residing more than ten miles from any of the Company's principal settlements, without leave from the Governor. So far the Commercial Rights of the Company, as connected with the immediate subject of this Question, extend.

With equal precision are the rights of the Public defined. The 81st clause vests in his Majesty's Subjects in India, Merchants, and civil Servants, a right to engage in the Surplus Trade, and send home goods on board the ships of the Company, "*or in ships freighted by them bound to Great Britain;*" which latter distinction implies, that if any material objection should afterwards arise against the tonnage of the Company, not within the precautionary spirit of the Legislature to foresee, and for which, otherwise, its wisdom would have provided a remedy, that such ships are evidently within the scope and meaning of this clause, as shall best attain its spirit. Indeed, such a case appears not previously to have escaped the attention of Mr. Russell, who proposes, with a view to facilitate for the British Manufacturer the importation of the raw material at as cheap a rate as possible, "*to oblige the Company to find*

“ Shipping in India for him at a reasonable rate of freight.” The 83d clause, with a view to encourage the Export of British Manufactures, provides a remedy in favour of the Public against the Company’s monopoly operating to their prejudice. The 85th clause compels the Company to keep the home market supplied with a sufficient quantity of the manufactures from India at reasonable prices, and in the event of their neglecting so to do, like the 85th clause, it secures to the Private Trader a right to participate, under the authority of the Board of Commissioners for the Affairs of India, even in the Company’s own Exports and Imports. The 87th clause compels the Company to provide the tonnage for the Private Trade of individuals at such reasonable rates of freight as (without, it was presumed, exposing the Company themselves to loss) shall, by encouraging the export of British Manufactures, and the import of the raw material from India, *“ essentially conduce to the advancement of the Trade and Navigation of these Kingdoms.”* The 97th clause establishes regulations for encouraging individuals to engage in the import trade of the raw material. Of course the practicable facility of so doing is within the spirit of this clause. The 96th clause, so far from dreading an *“ enlarged intercourse”* with British India, (in which light the addition of a few individuals never can justly be considered) specially enacts the principle of increased intercourse, by providing, that if, *“ upon any representation made to the Court of Directors of the said Company, by or on the behalf of any Private Traders, of the want of a sufficient number of persons in the East Indies, duly authorized and properly qualified to act for them, in the disposal of their cargoes, and the purchase and investments of goods, in return for the same, the said Court shall fail to licence a further number of persons to reside in India, in the character of Free Merchants, to the satisfaction of the said Private Traders, it shall and may be lawful for the said Traders to represent the same to the Board of Commissioners*

*“for the Affairs of India; and that the said Court of Directors shall there-
“upon licence a proper and sufficient number of persons to reside at their
“Settlements in the East Indies in the character of Free Merchants, with
“the approbation of the said Board.”* Such are the provisions made by
this Act in favour of the Public.

Here, therefore, are the reciprocal foundations on which are placed the Commercial Rights of the East India Company, and those of his Majesty's Subjects in Great Britain and British India; the limits of each, by these several clauses, are distinctly fixed; and the only question will be, whether what the Free Merchants demand is not within the spirit of all these clauses, wherein the rights of the Public are defined; and whether they do not keep clear of any infringement on those by which the rights of the Company are ascertained? This reference to the Charter shews, that they are restricted in their Trade in a manner not to interfere with the Company's investments; and consequently the measure of allowing them to bring home their own goods in ships constructed in our settlements, subordinate to the control of the Company, which is the whole of their demand, so far from *“divesting the Company of its
“most valuable privileges, and carrying on its Trade to India on the same
“principles this Country trades with its American Colonies,”* is, while it is confined, as it ought to be, within the pale of these limitations, not interfering with the privileges of the Company, but solely exercising a right vested in themselves, distinct from these privileges.

The Report assumes that it has established, *“That to bring home the
“fortunes of British Residents not invested in the bills of the Company, di-
“rectly through the medium of merchandize into the Thames, should be
“the main object of the privilege to be conceded to individuals; and that*

“ this privilege ought not, in reason, to extend beyond the total amount of those fortunes, allowance being always made for returns of British Manufactures sent from hence, according to the Act of 1793.” Yet can any position be more contradictory than the proposition here contained? It places, first, this traffic on the narrow footing of a Remittance Trade; and next converts it into the character of an Export Trade, from hence, by admitting that allowance should be made for the returns of British Manufactures. But if this privilege, conceded to individuals by the Act of 1793, was intended by the Legislature to be restricted merely to a Remittance Trade, why mention the returns of British Manufactures sent from hence, when the Court must have been perfectly aware that no such Exports have been made by the British Manufacturer under the above Act? If such had been the policy of this Act, or the original notion of the Court of Directors, why, when these Imports were so largely exceeding the scale of what might be presumed to be the private fortunes of individuals, not interfere to correct the evil, and recal individuals, by legislative provision, to the genuine principles of the Court, and the true policy of the Act? Why, but that the Company and the Nation were equally deriving the advantage of this juster interpretation of the Act of 1793, as explained in the 87th section, and witnessing, with mutual satisfaction, this growing increase in the productive powers of their Possessions in the East; and this gradual beneficial extension of the Trade and Navigation of Great Britain.

But to mark the fallacy of such a notion more clearly, it is only necessary to enquire, what was the object of the Legislature in securing for the Public a right to participate in the Surplus Trade of India? The Act replies, *“ To increase the Trade and Navigation of these Kingdoms.”* This end, it has been shewn, and is admitted, cannot be effected by the

British Manufacturer, but is effected by the Free Merchant resident in India. But if the doctrine should obtain, that this Trade is to be put on the footing of a Remittance Trade, and to be considered only as such, it virtually abrogates the policy of the Act of 1793. Observe the consequences to which such a position would lead. Either this Trade must come home in British or in India-built Shipping. But it has been shewn it cannot come home as beneficially in British Shipping, the records of the Company establishing, that when individuals in India, since the passing of this Act, were allowed to find their own tonnage, their Exports from Bengal were greatly increased; and when they were restricted to the Company's, they were equally diminished. And the same documents establish, that the British Manufacturers have never in any degree contributed towards realizing the ends of the Legislature by availing themselves of their privilege. If, then, this Surplus Produce is to be brought home in India-built Shipping, as a Remittance Trade, without the privilege of returning to India, and compelling these vessels to sale in the British market, (as some propose) it is probable that, in the first instance, Shipping would not be built for so restricted a purpose; and in the second case, it is clear, that to confine it to this, to make it simply a Remittance Trade for the fortunes of individuals, would defeat the end of the Legislature, as the Act recites, not merely of bringing home the raw material as cheap as possible, but of extending the Trade and Navigation of these Kingdoms, and of encreasing the Export of British Manufactures, (as Mr. Russell says) "*to the utmost practicable extent to which it can be carried with safety to the Resources and Revenue of the Nation.*" What would become of the expectations of the British Manufacturer in this case? If, therefore, the plain and indisputable right of the Free Merchant to participate in this Surplus Trade is to be fettered down to the principle of a Remittance Trade, the Legislature must abandon the

hope of realizing the end of its own policy; for unless he is enabled to exercise it consonantly with the spirit of the Act, this end cannot be attained. The British Manufacturer, in the first instance, will not export for himself: and in the next, if he would, he ought not to be permitted to do it to the Company's loss. And in reality, if this Trade is to be confined strictly to the savings of individuals, it ought long since to have been stopped entirely, because the remittances by bills on the Court of Directors evidently greatly exceed the estimated amount of these savings.

To say that a society of individuals thus restricted in the exercise of such a calling, can become dangerous, that "*its genius will antiquate the present system of the Company,*" and that encouraging their industry will render them "*impatient of all the rights of British Colonists,*" has more of fancy than of reality in the picture; and is nearer of kin to the language of fiction than the chastity of sober discussion.

The Poet's eye, in a fine phrenzy rolling,
Doth glance from heaven to earth, from earth to heaven;
And, as imagination bodies forth
The forms of things unknown, the Poet's pen
Turns them to shape, and gives to airy nothing
A local habitation and a name;
Such tricks hath strong imagination.

SHAKESPEAR.

By what principle are they to become so? A common interest. This is not the genius of Commerce. Individual interest is its spring. Commercial struggle is inimical to political association for turbulent purposes. It turns from the world to itself. It seeks the shade of private industry; and content with accumulation sees only its prosperity in the tranquil enjoyment, and liberal dispensation, of its fruits. The haunts of sedition are far from the footsteps of the British Merchant. He is the

being of a national spirit. He is to be seen exalting religion by his ways. With the outstretched arm of charity he is to be traced, turning to where the imploring eye of indigence or misfortune is lifted to his benevolence for relief. He is to be found at the head of all those charitable institutions, and national establishments, that are more glorious to a State than even the monuments erected to the manes of its heroes—where decayed industry is cherished—where science is to be acquired—where the wants and miseries of life are to be assuaged—where its brave defenders are to be encouraged and rewarded—where, on the altar of patriotism, the voluntary contribution, in aid of the necessities of the State, and the burdens of the people, is to be laid—and where the munificent hand of a PEEL is to be seen depositing his princely boon, dignifying commerce, exalting humanity, and giving to his country an example of the virtues.* This is the post of the British Merchant. In this school was educated, and from this stock is descended, the Society of Free Merchants in British India. Such a community in its essence, were it far more extensive and opulent, would be destitute of the power of overshadowing the Company, even if its ambition were to war against its interest. It is aloof from any of those causes which agitate the great masses of society in Europe, and too frequently rob industry of its arm, and pollute the streams of national prosperity. Those sources of discontent wherein the germs of rebellion are to be traced, and which convulse other States, to them are unknown. They are subject to a Government absolute in its nature, but mild and protective in the exercise of its powers. They are exempt from taxation. They have no feudatory privileges. They have no charters of incorporation. They cannot enact local ordinances. They have neither general nor provincial assemblies; and the powers of legislation are unknown among them. Colonial laws and colonial rights are

* This Gentleman headed the loyalty of the Nation in his magnificent subscription of £.10,000.

equally remote from their view. They are too few to cabal. They are dependant on the Company by covenants, and removeable to Europe at pleasure, on a breach of these, or any other misconduct. Every possible security, therefore, is to be found in the very constitution of such a body to repel the notion of its becoming dangerous.

Is it, then, their opulence we dread? But here is a relief equally within the reach of the Company. If experience should hereafter shew that their Trade is adverse to the general interests of the Company, which present experience belies, it is, at all times, within the power of the Company, to say nothing of the authority of Parliament, to meet them in the markets of India, and from the superior facilities, as the Directors assert, of existing commercial establishments, and numerous agents already spread throughout their provinces, to destroy them by the rivalry of their more powerful weight and influence.

Let us not, therefore, with so many checks to protect our interests, and so many securities to guard us from danger, be driven into dread of the Free Merchants of India, by a phantom created by fancy, but which reason repels on approaching its shadow. The Sovereigns of the East are not to be destroyed by a handful of Traders.

But again, if these individuals do not become dangerous in themselves, the admission of their ships in the Trade to and from India presents a more portentous spectre to our view; and in the consequent COLONIZATION, to which a more enlarged intercourse with British India will lead, we see (say the Directors) the extinction of our Empire in the East. To those who are acquainted with the history of India, the mode of administering

the government of our dependencies in that quarter, and the uniform precautions taken to guard against the occurrence of such an evil, this notion must appear chimerical in the extreme. Where is the country colonized against the will of its Conquerors, or the wishes and disposition of their Subjects? To attract settlers from their native soil to new countries, and influence to adopt them as their own, must not certain advantages be held out to them by the State? Among these are not various immunities and privileges to be reckoned? Are not all the parental aids of a protective government necessary to rear them in their infant growth? But, above all, is not the primary incentive that tears them from the mother breast the occupancy of lands? Thus America was peopled and severed. But in vain is the example to be quoted; there is no analogy between the cases; *there* was an umbrageous and unpeopled continent to reclaim from its swamps, whose soil was to be the prize of its clearance. *Here* is an Empire where the land is bared to the noon-day sun, and is already in the possession of a numerous and enlightened race of people. The whole policy of the Company has invariably been to protect them in the undisturbed enjoyment of this ancient occupancy. The system of British Government is to prevent Europeans from holding lands in their Provinces. The Company have not been satisfied simply with their own authority; they have called in the aid of statute law to inhibit the attempt, unless licensed by themselves, for special purposes not intervening with their own policy; every fence is erected to preserve to the Natives the soil of their ancestry; and there is not one solitary instance to be given in evidence, of any stray European having effected a settlement of land in any of the Company's dominions, against the knowledge or the will of the Government, from their acquisition of the Dewanny to the present period. Nor, with such

means in the hands of the Company to prevent it, would it be possible to colonize India, although the whole Trade of the East were thrown open to the entire population of Great Britain.

How are Colonies founded? Generally speaking, a Colony is transplanting a people into a country in order to cultivate it, or improve its capabilities. There are three kinds of Colonies. The first are those growing out of the emigrations from too populous a state: the second are those that are founded in the midst of conquered nations to retain them in subjection: and the third are such as, in ancient times, for purposes of traffic, were founded by the commercial States of Greece, and remoter Nations. By means of the first Europe was subdued; by the second, the Romans secured their conquests from East to West; and through the milder influence of the last, the most barbarous Nations have been polished and refined—neither of these precisely define the nature of the British dominion in India. But it is evident it contains within itself none of the seeds of colonization: since neither the policy of the Government, nor the disposition of persons resorting to it, invite them to adopt it as their country. By the one and the other it is only considered “*as the temporary residence of a great British Establishment, for the good Government of the Country upon steady and uniform principles; and of a large British Factory, for the beneficial management of its Trade upon rules applicable to the state and manners of the Country.*”^{*} And while it is thus considered, our sovereignty in it is secure. If, then, fact and experience are against the assertion, what becomes of the argument to prove the existence of such danger from the limited and temporary admission of a few more individuals into our settlements for the peaceful purposes of Commerce? The policy of the

^{*} Mr. Dundas's Letter to the Chairman, 2d April, 1800.

Company, its military strength, the various circumstances which diversify the characters of Nations, the statutes of the Empire, the civil and religious institutions of a numerous People, refined in arts, in science, and in manners, separated by their habits and local prejudices, from all domestic intercourse with their Conquerors; these are the barriers that forbid the approach of colonization in our Eastern territories. The Mahomedan and the Hindoo are equally divided by the Kôran, and the Shâster from us; the religion of both repudiates intermixture with opposite Sects; and we remain, to this day, in the midst of abstracted millions, the isolated masters of an Empire, which hitherto we have maintained, and must continue to preserve, as much by the force of opinion as the strength of the sword. These are the barriers which human wisdom and divine authority have erected to mark the boundaries between moral and physical laws; to separate the conquerors from the vanquished; and to preserve to the natives the holy objects of their veneration, the unfathomable antiquity of their origin and unmixed descent, and their pious adoration of their Braminical deities. On the basis of these hallowed prejudices, revered by British philanthropy, which even their Mahomedan invaders abstained from profaning, rises the edifice that is to guard their rights; and it is only when this is levelled, when their temples are prostrate, when the scriptures of their worship have been torn from the depositaries of their faith, and the name of Brahmâ is no longer lisped by the infant Hindoo lip, that their manners and customs can be changed; their aversion from intermixture removed; or their soil transferred to the ploughshare of their European conquerors.

But not less from the singular customs, the peculiar ideas and sentiments of this extraordinary people, than from the prevailing usages in our own

settlements, are we protected from the occurrence of such an evil. In glancing at these, we may trace another security against the danger of colonization. Hitherto the children of British parents have been sent home to this country for their education, at that tender age when the mind is open to first impressions, when the dispositions of the human heart are to be formed; and, educated here, they have been taught to feel this country as their own. Thus trained, they have returned to the East; but as to a "*temporary residence*," and their attachment to the country that reared them has continued unchanged. But if, departing from the wise line of policy hitherto pursued by the Company, of discouraging any system of European education in India, through the medium of public schools, we should establish seminaries of learning there, and transplant the bench of science from the venerable shade of our own academical groves, and thus supersede the necessity of sending British youth for education to this country, and no longer attract the parent home by the tie of his offspring here—then indeed, Sir, I hesitate not to say, we sap the foundations of our security, and shake the pillars of our Empire in the East. We create an affection for India which hitherto has not been felt; we alienate both the parent and the child from the country that protects them; we permanently affix in it British capital; we destroy the notion of a "*temporary residence*," and, by rendering India to both a scene of new hopes and new affections, we implant in it those germs of colonization which hitherto we have so wisely endeavoured to repress.

But the case does not rest here. It is one of the striking and peculiar benefits to which we may look from the measure of admitting these India-built ships to bring home the Private Surplus Trade of British

India, that, in its ultimate consequences, it promises to us a new security against the danger of colonization. By all parties this danger is justly deprecated. Whatever tends to diminish it, increases the security of the Company's possessions. If, therefore, this measure goes to lessen this danger, it deserves the countenance of the East India Company, as a measure not less of commercial, than of political expedience. Now as, on the principle assumed by the Directors, the danger of colonization and subsequent overthrow must depend on the facility with which individuals can get to India, either on the Company's ships, or in foreign vessels, it follows, as a consequence from their own premises, that that system is the most to be desired which increases the difficulty of getting to India, and diminishes the number of adventurers reaching that country. Whether, therefore, does the system as it now stands, or as it is proposed to establish it, threaten most the security of the Company's possessions? Can there be a doubt about this? By the system as it now stands, individuals, who have been refused permission by the Court of Directors to proceed to India, have nothing to do but to cross the Channel, and they are landed by foreign ships either in the Company's settlements, or at foreign factories, where, removed from control, they make their way with hostile feelings into the service of the native Powers, embracing, instead of a commercial, a military life, and threatening thereby eventually the security of the Company's possessions. Thus we have recently seen a foreign European army formed in the service of the Nizam, which, but for the energy of Lord Wellesley, might have become formidable to the Company's Empire; and equally have we beheld a Mahrattah army, thus officered, on a system of European tactics, march to victory and dominion: and in proportion as the number of foreign vessels reaching India, by the extension of their commerce, has

increased, so has the number of these adventurers been increased, and the facility been extended to them of eluding the Company's regulations and authority, and of penetrating into the heart of India. The present system, therefore, of inhibiting India-built ships, and suffering foreigners to engross so large a share of the Surplus Trade, holds out an asylum to them against the rules and power of the Company. But if the Foreign and Clandestine Trade should be greatly reduced, as they inevitably must be, if this encouragement is given to the British resident Merchants, then the number of foreign vessels sailing to India will proportionably be reduced, the facility of getting there will be narrowed, and the number of unlicensed adventurers will be diminished.

The present system, therefore, by the encouragement it offers to Foreign and Clandestine Trade, as far as increasing the facility of getting to India endangers colonization, holds out a greater risk of this evil happening than the system proposed, which, by substituting India-built for foreign vessels, will shut the door very much on emigration to our Asiatic dependencies, from the increased control it will give to the Company, from these vessels being, in the first instance, chartered to themselves; and in the next, immediately subordinate to their own regulations.

Thus, allowing as a principle that colonization is to be deprecated, the measure of admitting these India-built ships, invites the support of the Company, from the fair prospect it exhibits of raising up a new security against the approach of this danger.

But still we are scared by the dangers of INNOVATION, and called upon to avert them, by firmly resisting the admission of these ships. Whoever

has studied the history of civil society, must have traced the anarchy that results from Utopian schemes ; and, if the lesson of past experience teaches us to be cautious in departing from ancient usage, the awful events of our own age too forcibly strengthen the precepts of history, and invite us to approach what is sanctified by time, with a cautious, and a trembling hand. The lesson of the day, in crimson colours, teaches us to prefer the abstract only, as it accords with the moral competence of things ; and in the miseries we have seen to arise, from the sacrifice of systems experimentally ascertained to be useful, to abstract theories, and metaphysical innovation, we are almost led into the opposite extreme, and driven into general antipathy against every suggestion that clashes with practice, or assumes, in its shape, an appearance that is new. Yet let not the example of the French Revolution be pressed, against just improvement, beyond what the moral of its lesson will warrant. Innovation in general may be bad—in the particular instance it may be good ; and this constitutes the case which forms the exception to the rule. It is not the subversion of any existing establishment, to try experimentally a speculative theory, supported by plausible and ingenious arguments, but it is simply an attempt to secure to the Company, and the Nation, by further regulation, the benefit of a plan founded in the wisest principles of commercial policy, which the experience of five years has practically demonstrated to have been conducted with equal advantage to individuals, the Company, and the Nation, without infringing on any one right or privilege belonging to the Company's Charter ; or being accompanied with any counteracting evil. What analogy is there between the adoption of such theories, and the admission of a plan like Lord Wellesley's, just as it is proved to be in its principle, by the advantages which experience has shewn to result from its application ? But least of all does this cry against innovation

become the Court of Directors. What has been their own conduct, but to act on innovations of the most important nature? Do they dread innovation? Do they conceive its principle hostile to the interests of the Company? Have they not lately introduced the most novel changes into their Shipping system? Do they not affirm that the best effects have already resulted from this innovation? Have they not introduced the most important innovations into the administration of justice in their provinces, by new modelling the general system of their Adawlets? Have they not, in violation of ancient practice, effected a complete revolution in the mode of administering, and collecting their Revenues in India? Did they not, on a theory, that had not even the advantage of an experiment to recommend it, stake the whole system of their territorial Revenues on the plausibility of its doctrines, and place the safety and prosperity of a great kingdom on the issue of an experimental attempt to ameliorate its condition? Have they not changed the entire tenure of Landed Property in Bengal? Have they not abandoned their claim of sovereignty in the soil? And do they not now maintain, what here it is not intended to deny, that experience has proved, that in the growing improvement of their Empire, the wisdom of these innovations is to be traced? Was not the Regulating Act of 1784 an innovation? What are all the revolutionary changes in the original constitution of their armies, but so many innovations? Was not the Commutation Act an innovation? Is not their modified monopoly an innovation? Is not the statutable tonnage an innovation? Is not Lord Wellesley's plan an innovation? And what has been the result of these united innovations, but to increase, by the admission of the Directors, the security and prosperity of the Company? What then becomes of this phantom of Innovation, when touched by the light of History, or the arm of Fact? As far as any argument is to be

drawn against the measure, from the dangers of innovation, it turns the opposite way, and serves to recommend experiment, since the conduct of the Court evinces they have never dreaded innovation, where the deepest interests of the Company were staked on the issue of their own theories; and that experience shews, that the best practical effects have resulted from their rising superior to such terrors; and reaching to the class of enlightened and successful innovators.

Now then I meet the assertion, that this is a direct attack on the Charter of the East India Company, and points, in its ultimate consequence, against its renewal. Who are the alledged assailants? The Free Merchants of British India. What is it they are charged with attempting? To force, through legislative interference, the East India Company to give to them, as they are bound to do by the Act of 1793, the means of bringing home their Private Trade to the Port of London, at such a reasonable rate of freight, and with such facilities of conveyance, as shall enable them to carry on this Commerce in a manner the most compatible with the intentions of the Legislature, and the best calculated to improve the resources of the Company, and the Nation. This is the utmost of their attack; and the question on this will be, Whether such an application, in its nature, warrants the imputation of its being levelled, from sinister motives, at their Charter? What is the plain case? These Gentlemen demand, what by law they are entitled to have, every reasonable facility from the Company for the uninterrupted conveyance of their Private Trade. They ask, as this trade can only be conducted on principles of the strictest economy, and made to centre in this Country but through the lowest attainable freight, that the Company will, in consideration not less of its benefit to themselves, than of its national importance to the

State, promote the attainment of this desirable object, by supplying them with a cheaper freight than they have hitherto paid to the Company for the conveyance of their goods, to the mutual relief of both. This freight is obtainable in India, where the produce exists; and is not to be procured here, from whence the extra ships have been sent to bring it, at a loss to the Company and to individuals. On this point therefore, the parties are at issue. Say the Company it must come our way. No, say the Merchants, if you mean that this commerce should centre in Great Britain, it must come ours; and in saying this, we assert your interests not less than our own cause. Neither can agree. This then is a question of appeal. To whom? To Parliament undoubtedly. On what ground? On the construction of its own act. Has Parliament no right to expound its own statutes? Is there no privilege in the Legislature to explain and declare its own intentions? In what shape then does the question meet the legislative eye? Not as an attack on the Charter of the Company, but as an appeal to their justice. The East India Company, for certain considerations, obtain the renewal of their Charter, and enter into specific obligations with the State. Among these they bind themselves to give every possible facility towards effecting the ends of the Act of 1793, by aiding, to the utmost, the extension of the Trade and Navigation of these Kingdoms. It is therefore the case of a bargain between the Company and the Nation; and the question may lie—not whether the Charter is attacked, but whether the Charter is impeached by breach of contract? The Company are in the quiet possession of all the benefits and advantages, ceded to them by the Legislature, as the consideration for certain rights made over to the Public by the Company. And the Public is not in the plenary enjoyment, in the manner intended by the Legislature, of the privileges purchased for it by Parliament, from

the East India Company. In this shape the subject comes before the Legislature, and the only question to consider will be, not whether the Charter of the Company is attacked, but whether, in the fair spirit of justice, the Court of Directors have given to the Free Merchants resident in India, and others, such reasonable facilities in the carrying on, and conveying of their Private Trade to and from India, as by law they are bound to do, according to the intentions of the Legislature by the Act of 1793? What more do they ask? Or where is the separate privilege of the Company they seek to invade? In this the essence of the case consists; and if this can be made out in point of candour, or justice, to be an attack on the Charter of the Company, it must be through some process of ratiocination beyond the limited powers of my understanding to comprehend. Away then with the unfounded notion that an application for relief, in such a case, is an attack on the Charter of the Company! Woe be to either side who see their interest in a violation of the national faith! It is not in the sanctuary of British justice that the principles of public law are to be profaned. The Company's Charter is sacred. Parliament will never countenance any measure that really invades it, or that can disturb that general system of policy by which our possessions in India have hitherto been held so beneficially for this Country. But while Parliament will respect the rights of the East India Company, it will protect and enforce the exercise of the rights of the Public, held equally under this Charter. Parliament will see, that while the Charter is maintained, the intentions of the Legislature are not frustrated by causes which may be removed, without disturbing the Charter of the Company. The Company have privileges; let them be sacred. The Public has rights; let them be enjoyed. This is all that is demanded. The Free Merchants resident in India are too enlightened, not to know that the East India Company

alone ought to be the grand national organ of communication between India and Great Britain ; that experience has proved this system, under all its difficulties and objections, to be the wisest and safest principle by which we can preserve, with advantage for the British Nation, the sovereignty of India. It is presumed they must be sensible, that it is impossible to hold India by any other tenure beneficially for these United Kingdoms, than through the medium of a Company, and of a responsible power, both in India and here, subordinate to legislative control. Such a body cannot but be sensible that their best security is in the preservation of the Company. Fostered under its wing, they have risen to maturity in the shade of its strength ; and if they have an interest more prominent than another, it is, to prop the Parent that has nourished them in their growth. They know that on the pure and protected sovereignty of the Company depend the preservation of their own Trade, and the continuance of their security and comforts. They feel that these would be sacrificed by throwing open, to the cupidity of inexperience, the general Trade of India. In such an enlarged extension they would trace the fall of the markets in Europe, the disappointment of the Manufacturers of Great Britain, an increased debasement of the manufactures of India, the decline of its revenues, the impoverishment of our provinces, and a general stagnation of credit. In the fall of the Company they would perish themselves : at this moment their capital is considerably locked up in the hands of the Company, and for large advances in bullion their only securities are paper from the Company's Treasury. Embarked therefore with them in maintaining their sceptre, they are deeply concerned in preserving its hold ; and they look, as their firmest security for the recovery of their debt from the Company, to a sacred respect for its rights, and a just veneration for its Charter. Far be it from them to

seek, on light and trivial occasions, to contend for the dangerous doctrine of substituting a discretionary interpretation for the letter of the law, where the law has clearly expressed its will. But if this be a case where the spirit is clearly to be traced, and the letter is not manifestly at variance with it; if it be a case on which the most important interests hinge, as relating to the Company, to individuals, and the Nation, they then ask from the wisdom and justice of the Directors, that they will not throw difficulties in the way of renewing their Charter hereafter, by standing up too rigidly on the letter against the manifest construction of the spirit of the act, and the clear discovery of the evident intentions of the Legislature. This, Sir, really seems to me, as far as I am able to trace it, to be the utmost extent of their attack, and the general sum of their principles.

With respect to the fears expressed either for the safety, or the future renewal of their Charter, by giving to it a fair and liberal construction, no body of men ought to be more sensible than the Court of Directors how little such fears are grounded in any just cause of apprehension. Is it at a moment when their Charter has been so recently renewed, and when, by one voice, Parliament and the Nation are equally sensible that the preservation of our dominion in British India depends on the continuing in the East India Company, the sovereignty of our possessions in the East, that such visionary apprehensions can be seriously entertained? Can it be imagined, after so much experience, that if human wisdom could have devised any system by which these territories could have been held more profitably for Great Britain, than through the medium of such a Company, that it would not, at the expiration of their Charter, have met with protection, when its patronage may fairly be considered as an object of so much temptation and desire with the Crown, and with Mi-

nisters? But Providence, Sir, who has given to us this Empire, has not willed that it should be the instrument of destroying our liberties. In redeeming it from the tyranny to which it was exposed during the decadence of the Mogul authority, and placing it under the shield of British power, he has raised up insuperable difficulties in the way of its assailing them, beyond the natural political jealousy of their vigilant and constitutional guardians. He has made such a sovereignty depend on the existence of such a Company. And were the Crown to-morrow to subdue this jealousy, and obtain possession of these territories, it would feel, in their decline, the necessity of re-establishing, on its present basis, this great and only solid organ of communication between India and Great Britain. This assertion depends not on experiment. History records the fact. Even at a period when we had no territorial possessions in India, and when Charters, like other rights, were a prey to democratical violence, the Republican Usurper made the attempt; he threw open the Trade to India, and after three years of disastrous experiment, he bowed to the justice of this principle, and re-established the then Company again. Such an Empire can no longer be beneficial to Great Britain than while it yields to us a considerable surplus Revenue, after defraying the charges of maintaining it. This Revenue can only be remitted home through the medium of Trade, and a Trade subordinate to the control of such a body. And this revenue itself can only be fed and realized through the regular supply of those large sums issuing out of the surplus Revenues, which are annually advanced to the Weavers and Manufacturers by the Company, for the provision of their investment. Such a revenue is a great national object, and can neither with safety or certainty be realized through the precarious operations of Private Commerce. The Nation could not in prudence trust to the private Merchant the remittance of

such a stake where the means of its payment must entirely depend on the fluctuating and uncertain profits of his trade. Nor could the private Merchant guarantee to the Nation those regular supplies and advances to the Manufacturers of India, and those invariable demands for the produce of their industry, which at every hazard are made by the Company, and on which the prosperity of the natives, and the permanence of the revenues, depend. The capital and influence of such a body alone is equal to the attempt.

Yet even this is not all the difficulty. If the Nation to-morrow, fatally for its true interests, and to the danger not less of its Constitution, than of the immense customs it derives from the present system of intercourse with India, were to take off from the Company all their dead stock, to purchase their forts and military stores, and to repay to them the sums due to them by Government, and the immense debt owed by the territories of India to the Trade of the Company, with a view of encumbering itself with the Government of these distant dependencies, and of throwing open the Trade with India to the general enterprise of individuals, the Company would still remain a body corporate and politic, by the 3d and 17th statutes of George II. and the 21st of George III. The different factories in India held and purchased before their conquests, would continue theirs; the whole China Trade (the most profitable branch of Eastern Commerce) is so entirely in their hands, as to be irrecoverable by any body whatever, and would yet remain in their possession; and the Public, let into the least valuable part of it, (the Trade with British India) would still have to compete against a rival every way more powerful, wealthy, and experienced than itself. Under such circumstances the issue of such an attempt may be easily

foreseen. It is, therefore, not too much to say, that the insuperable difficulties in the way of holding India, while it remains subject to the sovereignty of Great Britain, by any other tenure than through the medium of the East India Company, are an unfading security to the Proprietary for the perpetual renewal of their Charter. Let us admire, Sir, the wisdom of Providence, who, in giving us such an Empire, has placed beyond our reach the means of converting it to our destruction; and who has bestowed it on a People, who hold it but in trust for the happiness of the millions that inhabit it; and who have shewn, amidst a world in ruins, by the sacrifices and triumphant struggles they have made to preserve their independence, that they can cast it from them, if ever it should taint the security of their Constitution.

One point only remains. On a question of this magnitude, involving the most essential interests of the Company and the Nation, it is deeply to be lamented, that it should be agitated on either side with any disposition to intermix the spirit of party with a subject that rises so much above it; when the contest ought only to be, who most can enlighten the State to a sense of its interests, and who best can direct its judgment to a right determination. I am sorry to observe not less in the spirit of this Report, than in their public debates, that the Court of Directors have not been able, in their anxious and laudable zeal, to defend the rights of their constituents, to preserve themselves entirely from the contagious influence of this corrosive feeling. They are not contented with calmly assigning their reasons against the measure recommended to their notice, but they have laboured to impress the Proprietary with a notion that this is an attack on the rights and privileges of the Company, in the first instance, by the Free Merchants of British India; and in the next, by those of their old Servants, who have appeared in their General Courts

in their behalf, who have risen to fortune in their employ, and whom they charge with ungratefully struggling to injure their benefactors. If these respectable individuals were really capable of a dereliction of those feelings which best ennoble the human heart, and were struggling intentionally to wound the interests of a body to whom they are indelibly bound, they would find in me an enemy, where now they meet an advocate. But what is the theatre of their ambition, and to where do their struggles aspire? To serve their Country and the Company, by opening to the view of both fresh sources of prosperity and wealth; and by offering to them, in the contemplation of so important a question, all the advantages to be drawn from the stores of local knowledge and observation within their reach. Is it to attack the privileges of the Company to differ with the Court of Directors? Is it to be ungrateful with proprietary rights and interests, not to yield a blind obedience to opinions which they know to be founded in ignorance and error? If a man, being a servant of the Company, were to seek its destruction; if, unmindful of past favours, he were to conspire his own elevation on the ruins of the rights of the Proprietors; if, in the career of his ambition, he trod down the Charter of their existence, and, heedless of its consequences to the freedom of his country, sought to pollute its Constitution by throwing the whole patronage of India into the hands of the Minister; then, possibly, the charge of ingratitude might apply, and the voice that was raised to defend him, would be drowned in the clamour of reproach. But when, in support of the principles of their Charter, they are seen labouring only in the furtherance of those measures which the Court of Directors, in their Memorial of 1797, admit to have been productive of advantages to the Company and the Nation, greatly exceeding the warmest expectations of their most sanguine promoters; when some of them, on the renewal of their Charter, were distinguished as the firmest

champions of their rights, a candid Proprietary will render to their motives the justice they deserve, by drawing the distinction between an honest endeavour to advance their interests, and a factious and wicked attempt to degrade their Executive Body. If it be a crime to denounce the injury to the interests of the State from the extension of the trade of foreigners with British India—if it be a crime in them to assert that this evil will subsist, in defiance of all the orders from home, without “*a generous allowance for the interests, feelings, and natural claims of individuals*”*—it is the crime of a man whose services have given him as much celebrity as his wrongs, and whose name it is impossible to mention but with sentiments of respect and admiration—MR. HASTINGS! If to denounce the wasteful system of the great quantity of extra British unemployed shipping sent out by the Court of Directors; if to assert that India Shipping alone should be employed in the Private Trade of individuals, and that by law “*a power should be given to the Governments abroad to allow the British subjects resident in India to bring home their funds to Britain in the Shipping of the country,*”† be in them a crime, it is the crime of a man, of whom it is not too much to say, that the fairest pages in their records are those wherein his great and comprehensive mind, in the widely extended sphere of its varied and still more arduous duties, grasping equally all the complicated interests of such extensive and distant provinces, is to be traced, preserving for the Company, by his wisdom, the Empire which their soldiery had acquired for them by their valour—the Right Honourable HENRY DUNDAS! These are the partners in their guilt, and the participators in their struggles to destroy the Company! Indeed, Sir, it is time to cast off this peevish spirit, to abandon these little notions, “*to quit the contracted views of monopolists*

* Hastings's Memoirs.

† Mr. Dundas's Letter to the Chairman, 2d April, 1800.

*“for objects tending to promote the prosperity of those territories from which we derive so valuable a tribute,”** and do justice to their servants and themselves, by perceiving, that the former in their conduct are actuated only by a laudable desire of promoting their interests; and that, in respect of themselves, if these individuals really sought to weaken their authority with their constituents, least of all would they in prudence attempt it at a period like the present, when the Direction is surrounded by that voice of support from the Proprietary, which is but the just acknowledgment of the confidence that in general it deserves.

To conclude, Sir—this is a case of evidence. On the one side are facts the most important, and consequences the most beneficial: all the authorities of Indian history; all the light arising from the experience of the ablest Servants of the Company, establishing in their result the policy of a more enlarged and liberal system of commercial intercourse between this Country and its Asiatic dependencies. On the other are the contradictory assertions of the Court of Directors, and the uniform wishes of foreign Nations. While we are illuminating for peace, the latter are preparing to exult in the decision that shall confirm to them, at its opening, all the advantages which hitherto they have enjoyed at the expence of our neglect in not securing them for ourselves. There is not a foreign commercial house on the Continent connected with India, that is not anxiously looking to the result of this struggle, and that is not sensible, that if we should decide to recover for ourselves what mistaken policy has hitherto permitted them to alienate from us, that there is an end of their clandestine speculations and intercourse with British Subjects, and of their pouring into India, as they now do, a debased imitation of our

* Hastings's Memoirs.

own Manufactures, to the discredit of the superior skill of our Artisans, and to the detriment of the sale of the produce of their ingenuity throughout the East. To the importance of this Trade foreign Nations are actively alive. They have had the experience of its sweets; and they know that they can only retain them while we are supine. The present is a period which imperiously claims our attention to its nature, and invites us to adopt immediate measures for securing it to this Country, in preference to its going to the ports on the Continent. It is already a Trade swelling to the extent of between four and five millions annually, carried on with comparatively a small capital, and without injury to other classes of interest here. The Court of Directors have already admitted, in their Memorial of 1797, that "*upon the return of peace the French, Flemings, and the Dutch, will no doubt vie with each other in establishing free ports to attract it to themselves; the free ports on the Continent, previous to the war, were and are, Ostend, Lisbon, Hamburgh, and Leghorn, More may be expected on a peace, particularly Flushing; and it is to be feared the French and Dutch will establish free ports in India.*" In this case such advantages must attach on frequenting these ports as will require all the wisdom of this country to counteract. Peace is returned, and already ANTWERP rises from its ruins! Now then is the moment to attract it to our own shores. If this is not effected, the Americans, who are daily and rapidly increasing their share of it, and extending their connections in India, will still further turn it to their advantage, while the French, whose custom it has been to go thither with credits from London for a great part of their cargoes, united to the Dutch, Danes, and Portugeze, will commit such additional inroads on it as to carry it away almost entirely from this Country, to the detriment equally of the circuitous Trade in India, and of the Company's sales in London. The importance of a striking fact will speak more forcibly

to the good sense and judgment of the Nation, than all the reasoning which it renders unnecessary. Ostend, in 1793, saw more Indian tonnage in its harbour than entered the Port of London. What, then, is not to be apprehended, if branches of British houses are domiciled on the Continent for the purpose of carrying it on under foreign protection? Nothing short of the Marquis Wellesley's plan, sanctioned by law, permitting India-built Ships to come to England, (which is the mean proportional proposed by Mr. Dundas, between the extreme opinions of the Directors and the wilder notions of those who are for throwing the Trade generally open) which will give a supply of certain, convenient, cheap tonnage, can effect this. And even then it will require all the support and protection of Government, and all the patriotism of the Free Merchants and their Agents, to render London "*the great Emporium of Indian Commerce.*"

These, Sir, are no common objects to accomplish. They attach to high duties. They appeal to the wisdom of the Legislator. They invite the attention and reflection of the Patriot and the Philosopher; the judgment and the decision of the Statesman and the Minister. In this question are to be traced the great principles of legislation; the genuine sources of national happiness. It attaches on the prosperity of kingdoms; on the durability of our sovereignty in the East; on the fate and glory of the Empire at large. Peace has returned to calm the anguish of a desolated and a weeping world, and the wounds of humanity no longer flow. It invites us to look at our situation. If it arrests the sanguinary conflict of two great nations, created by God and Nature, not to destroy but to esteem each other, and walk in his ways, which are the ways of pleasantness and peace; if it be a Peace in the spirit of peace, let us hail it with the voice of gladness, for our Army in Egypt has bound it with

a wreath of glory. To the Minister we will say, if the triumphs of humanity are to him more dear than the trophies of victory,

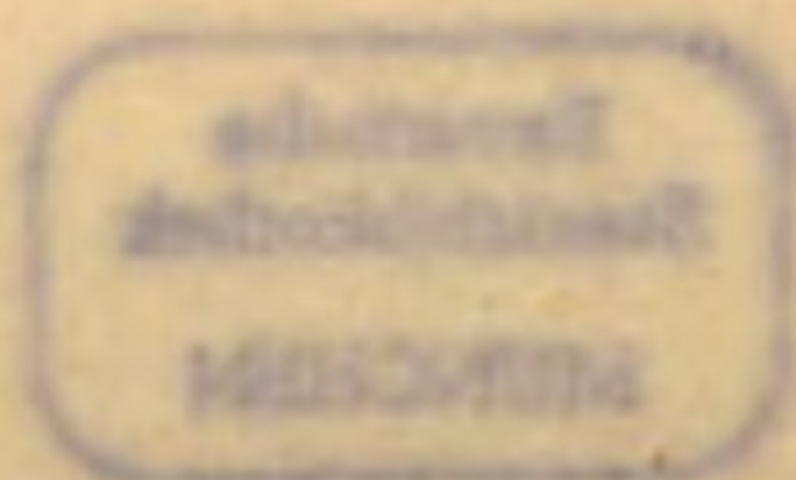
Hæ tibi erunt artes pacisque imponere morem.

We will not ask whether, when the genius of his predecessor, overwhelming sedition, rebellion and invasion, has enabled him to seal this Peace by proud acquisitions, and the prouder preservation of our Liberties and Constitution, overlooking the patience and fortitude of the People, he preferred adding to their burdens at a period when France, repentant of her crimes, appeared to be renouncing her deleterious principles, by hopelessly endeavouring, when deserted by our allies, to overthrow the colossal dominion of our enemy; and by rashly exhausting the resources of his Country in the improvident attempt of tearing up a mountain whose base is as wide as its height is inaccessible—we will be satisfied with what has been obtained. We will exult in the reflection, that nothing has been lost, but that much has been acquired; that if the war has been unequalled in its expence, it was unparalleled in its danger; that if we were abandoned by allies, we were true to ourselves and to them; and that, in the wreck of surrounding nations, the wisdom of our Councils, and the valour of our Soldiers and Sailors, have enabled us to survive a tempest that has swept the world.

Yet still it is a Peace that meets us with distrustful aspect, and places more at issue on the life of an individual than might have been wished, if circumstances could have been controlled. In reviewing the past, we are naturally led to be fearful of the future. In the revolutions to which human affairs are subject, the most awful changes have happened within the last ten years, both in the sovereignty of Empires and the opinions of Civil Society. What may be their ultimate effect, whether once more

O

to cover Europe with the night of darkness, or, what I am more inclined to believe, to reclaim, by the lesson of suffering, an erring world to virtue and religion, is beyond the reach of human intelligence to say, and lies only to the view of Him who, for purposes best known to himself, but originating in his perfect wisdom, has suffered these jarring elements to be so long afloat. But this truth at least results from the present position of public affairs, that Europe is convulsed; and that all nations bordering on the dominions of France, must be materially affected in their general interests by the change she has undergone; and it would be rash to say that in all respects our liberties are as secure as prior to her fall. In the neighbourhood of such a moral convulsion we could not but vibrate under the general concussion it occasioned. In the subjugation of almost every State in her vicinity, we have seen nation falling after nation, and all dominion on the great Continent of Europe gradually centering in France. The ancient order of Europe is no more. The harmony of nations is dissolved. Prior to the consular elevation of him whose genius now guides the councils of France, the political state of Europe had varied as much as the moral condition of the Empire he rules. The great security to her peace (the balance of power) was destroyed. A gigantic, overbearing, ferocious, military democracy, growing out of her grave, containing within itself the inflammable principles of perpetual explosion, became the arbiter of the European continental world, and all nations unattacked looked with terror at the destruction which, in its advancing progress, it threatened, to their civil and religious institutions. Alliance, neutrality, enmity, were no securities against its ravages; it preyed upon its friends as well as its foes, and sacrificed all alike to its thirst for martial enterprise. This was a new monster in the political world, which all nations were equally interested in subduing, as aiming at universal anarchy and



plunder. Yet so far were they all from feeling this truth, that this monster, which we thought would have perished in its cradle, is already on its legs, and striding over its ruins. At an expence which almost weighed us down, like Hercules, we have fought and smote it from us, but though it bleeds in the contest, we gasp from its blow. To crush this hydra, Europe has fought in vain. What she, however, could not accomplish, one man has effected. To the genius of BONAPARTE was reserved the glory of enchaining it: and if he succeeds in preserving it in its den; if, collecting around him the shattered elements of its destructive ravages, he re-unites them into freedom, religion, and social order, mankind will turn from the blood he has shed, to the good he has accomplished; and posterity, in spreading a veil over his usurpation, will overlook the means by which he ascended to power, to contemplate the use he made of its influence, and admire the splendour of his military achievements.

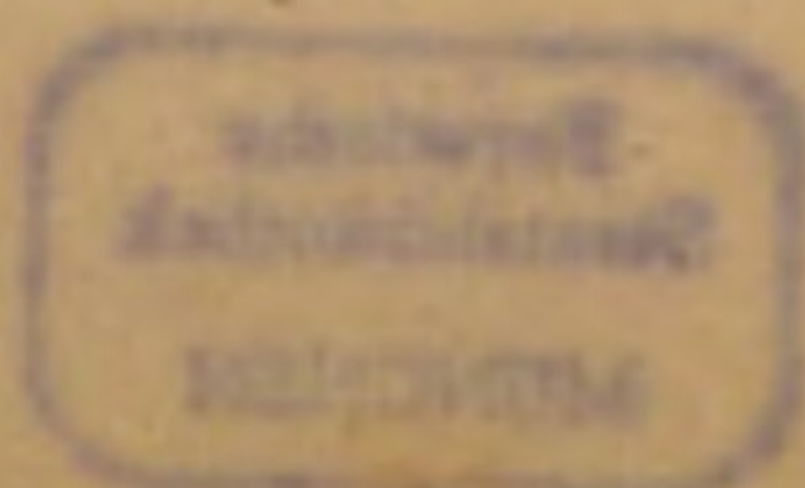
On the duration, then, of his authority and life, perhaps, the continuance of peace may much depend. In the altered situation of France, we are summoned to look forward to the future with additional anxiety. Without impeaching the sincerity or the intentions of France, we are called upon to look at her interests, and survey her situation. What have we seen? She has subdued the greater States of Europe, and been baffled by ourselves. She stands on the ruins of her own Empire, still heaving from the throes of internal faction, looking at the nations she has vanquished, yet turning, in the midst of their fall, an eye of hope to the surviving power of these United Kingdoms. Her enlarged dominion she feels but weak, while yet we maintain an Empire more universal than her own. What then will be her object, but to endeavour, by unremitting attention to her marine, to place it on that respectable footing that shall enable her,

at a more convenient period, in conjunction with her vassal states, to dispute this Empire with us, and break down the barriers between her and universal sway? To revive and recruit this marine, will be the primary object of her care; and to strike us where most we are vulnerable, the first effort of her strength. Every encouragement will be given by her Government to increase the nursery of her seamen. The sails of commerce will be widely spread; and INDIA, as the most valuable and the most important of our foreign dependencies, in the event of a future war, will be the object of her attention, and the point of her attack. Imitating the policy of the Romans, our distant possessions will be her first aim. Sicily and Spain had yielded before Carthage fell. It is there, on the coasts of Hindoostan, that we may have to struggle for our sovereignty at home; and it is there that by every consideration of national policy, we are invited to strengthen ourselves. It is not by fleets and armies alone that we can preserve these distant dominions. Let us reign in the hearts of the people, and a bulwark more powerful is erected than even the walls of our glory. Let us attach to our cause and our interests both the Natives of the East and the Subjects of Great Britain, by extending to them all the blessings which a mild and beneficent Government is capable of imparting; and by shewing to them, that if we have reduced them to our dominion, it is only to improve their happiness. Let us not see the foreign flag streaming on the Ganges, to confer protection where we can yield it ourselves; and to bear away to foreign Europe the wealth of our subjects, when we ought to convey it to our own shores. Let us open the Thames to the flow of their gratitude, and the produce of their soil. Let us cast off the fetters of commercial restraint, and breathe the expansive sentiment of national greatness. The Natives of India expect it from us. The Subjects of Britain claim it. The voice of millions implores of their conquerors not

to paralyze the efforts of their industry, but to allow them, for their reciprocal benefit, freely to extract from their soil and their arts all the advantages of which they are capable. The Merchants and Manufacturers of England call upon the justice of Parliament to expand the spheres of their industry. The voice of the Nation speaks. It claims from its guardians renewed securities for its defence, when the great fabric of civil society is rent asunder, and the elements of its safety are convulsed ! These are the calls which attach to this question. INDIA asserts that permitting her ships to bring home her surplus produce to Great Britain, will animate her industry, revive her prosperity, augment her capital, quicken her productive powers in agriculture and manufactures, strengthen her allegiance, and increase the happiness of her peaceful children. GREAT BRITAIN affirms, that it will enlarge her Navigation, her Customs, and her Trade. It will destroy that Clandestine Commerce, which now invades her rights. It will gladden her Manufacturers, by augmenting the calls on their industry. It will render her Metropolis the mart of the Commerce of the East. It will encircle her with new securities. Her harbours will be crowded with the fleets of Asia. The tide of abundance will be hers. The majesty of justice will exalt her power. And the generous principles by which she retains a distant Empire in subjection, in sealing the rights of humanity, will spread new glories round her Constitution !

These, Sir, are the principles that belong to this question ; and these are the considerations that rush upon the mind, when it rises to the height of contemplating its magnitude.

Sir, I have now gone through all I have to offer in the way of reason and argument, sustained by fact, to shew the good policy of admitting



the Free Merchants of British India to bring home, in home-built ships, that surplus produce of our possessions in Asia in which they are allowed to trade, as the only solid mode evinced by experience of accomplishing those great ends which I have shewn it to have been the object of the Legislature to effect, at the renewal of the Company's Charter, by the Act of 1793. If I have treated the subject more fully than to some may appear to have been necessary, it has been under a sense that, in presuming to differ with such grave and respectable authorities, it became me not lightly to impeach their opinions, without assigning distinctly the grounds that have placed me at variance with these. The great respect due to the Court of Directors excited me to examine the subject with care, and by an attentive perusal of their Report, compared with the result of my own experience and observation, I became convinced, that their opinions were not well grounded; and that, to act upon these, and the general doctrines contained therein, in respect of the Private Trade of individuals, would not only substantially infringe on the rights of the Public, but, however the contrary was meant, prove extremely injurious to the true interests of the EAST INDIA COMPANY.

Under this conviction I offer, Sir, to you and to them these observations; happy if by you they should be perused with indulgence, and by them be received as a pledge of the regard I feel for their interests, and the respect I entertain for their Executive Body.

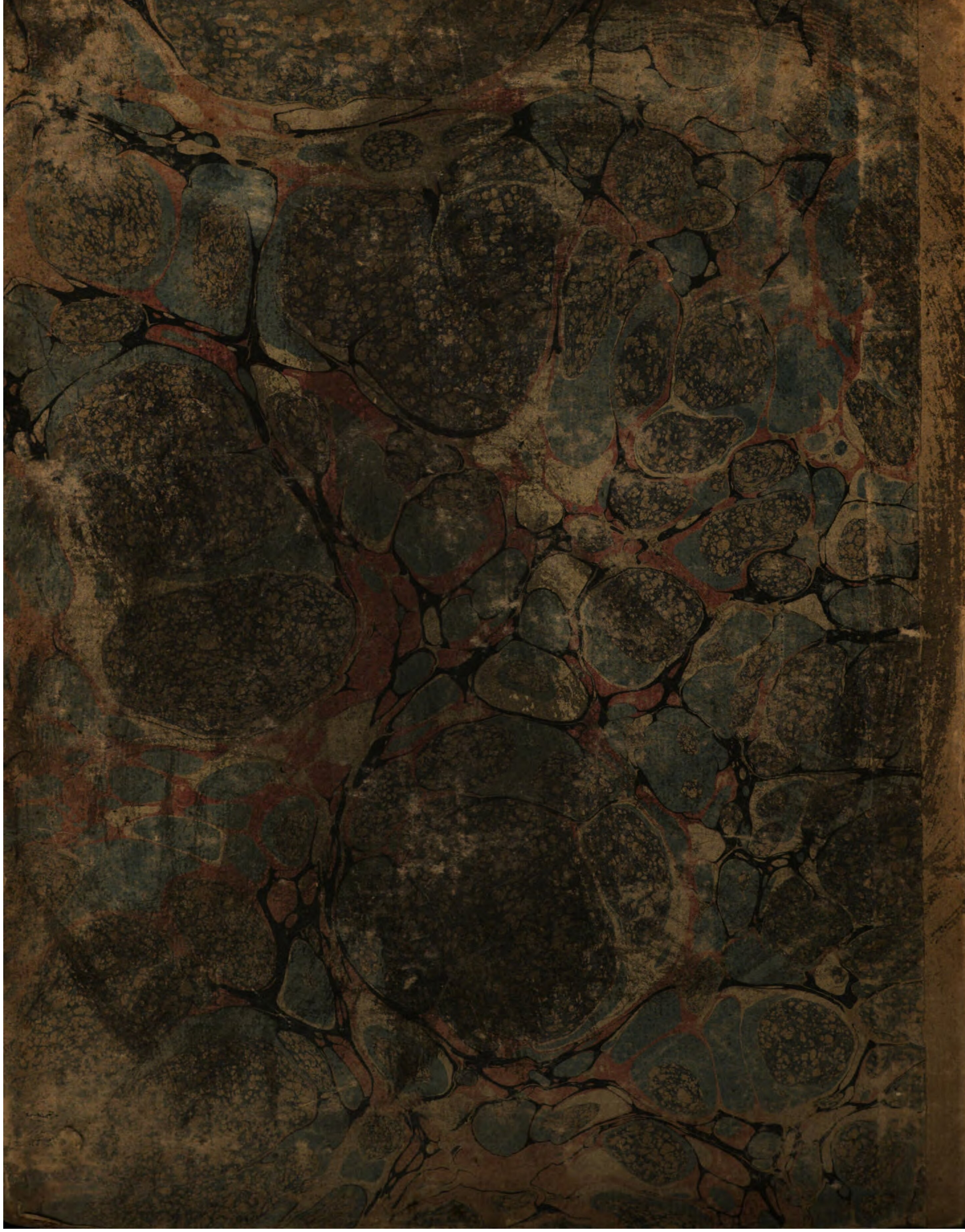
I have the honour to be,

SIR,

Your most obedient humble servant,

GEORGE DALLAS.

T. Gillet, Printer,
Salisbury Square, Fleet Street.



Dallas, George

A Letter to Sir William Pulteney, Bart. member for Shrewsbury, on the
subject of the Trade between India and Europe

London 1802

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